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VEGETABLE Situation



THE VEGETABLE SITUATION

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SUMMARY

Potential production of 14 *fresh vegetable* crops this summer could be 1 percent lower than last year. Summer acreage for harvest suggests less sweet corn, celery, and tomatoes. Slightly more lettuce and cabbage is possible. In addition to these crops, there will be substantially fewer melons from less acreage, but probably more onions.

In marked contrast to 1973, commercial vegetable prices to growers this summer are expected to show only slight to moderate seasonal decline. This would make them close to, or slightly higher than a year earlier and would reverse the lower-than-a-year-ago situation of the past 6 months. Furthermore, the Commercial Vegetable Price Index this fall probably will be materially higher than last year when grower prices fell substantially between the third and fourth quarters.

Moving into the 1974/75 marketing year, *processed vegetable* inventories, especially canned, were thin. Although relief on the supply side is in sight—overall processing acreage up 5 percent over a year ago—retail prices will be higher. Canned vegetable product prices will probably advance more rapidly than frozen items. The quantity of all frozen items (excluding frozen potato products) in cold storage as of July 1 was 34 percent higher than a year earlier, when supplies were unusually light. Cannery and freezer have been facing unusual pressures this season. Not only are raw product costs up—from a fourth to nearly double a year earlier—but high priced and restricted tinplate supplies have been reported, especially in the California tomato area. Other material costs and wage rates are up substantially as well.

A bigger summer supply of *potatoes* is forecast. Summer potato prices to growers are trending lower than summer 1973, but are expected to hold seasonally high until September. The major interest in potatoes center around the fall crop estimate, to be released in October. Record amounts are expected to be dehydrated and frozen.

With a 7 percent larger *sweetpotato* acreage this season, much of the prospective larger production will go to replenish depleted stocks of canned sweets. Heavy processor demand will tend to maintain grower price levels.

A substantially larger *dry bean* acreage promises larger supplies of all important classes. Under average yield conditions, the harvest could total in the 19-20 million cwt. range. Prices have been moving

steadily downward in anticipation. With acreage up 60 percent, a sharply larger crop of *dry peas* is expected this year. Prices are expected to move sharply lower this fall.

RECENT DEVELOPMENT AND OUTLOOK

FRESH VEGETABLES

Summer Supply and Price Prospects

With summer fresh vegetable acreage estimated at 360,150 acres, 2 percent less than the summer quarter of 1973, and assuming average yields, the potential production of 14 crops could turn out 1 percent below a year ago. Among the major crops, acreage for summer quarter harvest suggests less sweet corn, celery, carrots, and tomatoes, but more lettuce and cabbage.

In addition to these crops, a 7 percent larger summer onion acreage has been planted. Any increase in production is expected to come from the storage States. Cantaloup and honeydew melon acreages this summer are sharply reduced, and there is a substantial cut in watermelon acreage as well. Melon prices are expected to continue higher than last year.

Commerical vegetable prices to growers this summer are expected to reverse the trend of the past 6 months and run the same to slightly higher than a year ago. Only slight to moderate seasonal declines are expected this summer. Record high onion prices in the spring of 1973 pushed up the Commerical Vegetable Price Index at that time. Fall vegetable prices probably will be materially higher than last year, when grower prices dropped substantially from the third to the fourth quarter of 1973.

Winter and Spring Review

Fresh vegetable production in the winter quarter of 1974 was 34.7 million cwt., 12 percent more than 1973. Lettuce and carrots accounted for much of this increase but there were larger winter crops of broccoli, celery, sweet corn, peppers, and tomatoes. Cabbage was the only major crop in lighter supply. Lettuce, carrots, and onion prices kept winter prices lower than a year earlier.

Total first quarter imports from Mexico was 6 percent smaller, according to Plant Quarantine information, and during April and May and June shipments to the U.S. fell even further behind. However, there were several important differences in the quantities of the several vegetables imported this season, mostly related to the pattern of available domestic supplies. Plant Quarantine data for the October 1973-June 1974 season show that tomatoes

received in the U.S. from Mexico totaled 6.1 million cwt., 19 percent less than a year earlier. Onion imports were 21 percent less, reflecting adequate U.S. storage stocks and a large Texas spring crop. Slightly smaller supplies of cucumbers came from Mexico, but 4 percent more peppers, 4 percent more watermelons, and 8 percent more cantaloups were inspected by the Quarantine Service.

U.S. spring vegetable production estimates are not yet available, but the rise in prices received by growers during the second quarter suggested reduced output.

Prospects for Major Fresh Vegetables

Tomatoes—Summer tomato acreage, 2 percent smaller than last year, and average yields would suggest a slightly smaller crop. Acreage declines in Texas and California dominate changes in the other 21 States reporting summer acreage. California harvest volume is expected to increase seasonally during July, and in the East the important New Jersey crop will have heavy volume from late July through August.

Grower prices have been running moderately higher than a year ago for the first half of 1974 with differences more pronounced during the spring months. Domestic shipments of 20,000 cartons through July 6 were not large enough to offset the reduction in Mexican imports this past season, according to Plant Quarantine and AMS sources. With the prospect of slightly smaller summer supplies combined with high production costs, tomato prices are expected to average higher than a year ago—even after making some allowance for greater home garden output.

Carrots—Acreage is 8 percent smaller than last summer, but production projected from yield history would suggest only a 4 percent smaller crop. Supplies are now coming from the Salinas (California) area. Each of the four important summer producing States, except Wisconsin, have smaller acreages this year. There is substantially less acreage in California, Michigan, and Washington. The early July price of \$4.50 for a 48 lb. carton of 11 lb. film bags f.o.b. Salinas was about the same as a year ago.

Cabbage—A 3 percent larger summer cabbage acreage suggests moderately larger supplies this

Table 1.—Vegetables and melons for fresh market: Reported commercial acreage and production of principal crops, selected seasons, 1972, 1973, and indicated 1974

Seasonal group and crop	Acreage				Production			
	Harvested		For harvest 1974	Percent of 1973	1972	1973	Indicated 1974 ¹	Percent of 1973
	1972	1973						
	1,000 acres	1,000 acres	1,000 acres	Percent	Million cwt.	Million cwt.	Million cwt.	Percent
Winter	194	174	195	112	31	31	34	110
Spring	396	366	348	95	55	54	51	94
Summer ² :								
Snap beans	29	29	30	103	1	1	1	100
Broccoli ³	11	13	7	54	• 1	1	(⁴)	---
Cabbage ³	26	26	27	104	6	6	6	100
Carrots ³	16	17	15	88	5	5	5	100
Cauliflower ³	7	9	10	111	1	1	1	100
Celery ³	6	7	6	86	3	3	3	100
Sweet corn	106	110	106	96	7	7	7	100
Cucumbers	17	16	15	94	2	2	1	50
Eggplant	1	1	1	100	(⁴)	(⁴)	(⁴)	---
Escarole	1	2	2	100	(⁴)	(⁴)	(⁴)	---
Lettuce	49	49	52	106	12	13	13	100
Green peppers ³	22	23	24	104	2	2	2	100
Spinach	1	2	1	50	(⁴)	(⁴)	(⁴)	---
Tomatoes	64	64	63	98	8	8	8	100
Total 14 vegetables	356	368	360	98	48	50	49	98
Cantaloups	61	64	52	81	9	8	7	88
Honeydews	11	11	9	82	2	2	2	100
Watermelons	152	158	138	87	13	15	13	87
Total melons ⁵	223	233	198	85	24	25	21	84
Total vegetables and melons	579	601	558	93	72	75	70	93

¹ Based on average yield per acre. ² July, August and September. ³ Includes fresh market and processing. ⁴ Less than 1. ⁵ May not add due to rounding.

summer. Many of the leading States have slightly larger acreages planted including Colorado, Michigan, and Wisconsin. Most of those gains are in the Midwest, but the Mid-Atlantic States have about the same acreage. Acreage is reduced in each of the West Coast States.

Early July f.o.b. prices from New Jersey points were 5-6¢ lb., sharply below the high prices of 1973 when black rot damage in the Midwest reduced summer harvests, keeping prices high until fall.

Celery— Summer acreage is 4 percent less than last year, and this could translate to 6 percent less celery if 1974 yields follow historic trends. Harvest activity has shifted from southern California to the Salinas-Watsonville area with supplies continuing from Santa Maria and Lompoc. The Florida harvest was completed by July 1 except for a limited acreage near Zellwood. Michigan movement began in early July when summer acreage is up 5 percent.

During the winter, celery prices to growers were below a year earlier, but since May the reverse has been true. But early July shipping point prices of \$4.88 per crate at Salinas and \$6.04 at Western

Michigan points suggest a brief seasonal peak of supply. Later in the summer, celery prices would be expected to move higher than current levels if yields follow historic averages.

Sweet Corn— Acreage is 3 percent smaller this summer, but slightly more than in 1972. There are declines in California, Alabama, Ohio, and Virginia, but most major producing States have not greatly changed their 1974 plantings. This includes Michigan, New Jersey, New York, and Pennsylvania.

By early July there was a gap in shipments, the result of the sharp seasonal fall in Florida volume in late June. Other areas were not harvesting enough more to take up the slack. Cool, rainy weather had delayed development of the crop in the northeastern U.S. but the New Jersey harvest became active in mid-July. Other States will soon follow. Excessive rain hindered growth in Illinois; Ohio harvest began in southern counties in mid-July. The South Coast of California was harvesting an excellent July crop.

Higher production costs and a slightly smaller acreage suggest that grower prices at \$2.50 to \$3.50

per crate of 5 dozen ears from several northern areas will continue higher than in 1973.

Lettuce—A 6 percent larger acreage suggests about 2 percent more production for the 1974 summer quarter, based on average yields. California, which accounts for 73 percent of summer plantings this year, has a tenth more acreage this season. Late June shipments have been below a year earlier, but volume is gradually picking up.

During the summer there will be some additional lettuce volume from Colorado, New York, and Michigan plus a few other scattered locations, but the Salinas and Santa Maria areas of California will dominate.

Due to disrupted shipping activity from California in 1973, meaningful price comparisons cannot be made, but the current acreage prospect suggests a moderate price level for the crop this summer. Summer prices last year ranged from \$2.00 to \$7.00 per crate of 24 heads.

Onions—Summer acreage of both stored and non-stored crops combined stands at 83,240 acres, 7 percent more than a year ago. The first production estimate for the non-storage States, primarily Texas and New Mexico, which account for only one-eighth of all summer output, calls for 2.8 million cwt., down 16 percent from 1973. Storage-State estimates will be available September 9. California has sharply larger acreage this year from which a substantial share of the production will go to dehydrating plants. The Idaho—Eastern Oregon region with 10,200 acres has 3 percent less acreage. The Idaho-Eastern Oregon region with 10,200 acres has 3 percent less acreage. The difference is more than made up by a 500-acre increase in Washington to 1,600 acres.

In California, Central Coast and Kern County areas had July harvest, but Tulalake should start in mid-September. In New York, Orange County reported good crop condition as of July 1, but wind damage and flooding in the Elba area made re-seeding of some fields necessary. The Idaho-Oregon crop is now making good progress after a delay caused by cool weather during May.

Prices Depressed

Onion prices to growers have been depressed ever since the large Texas crop reached the market in April. With increased summer acreage, price prospects for growers do not look bright, and this could hold well into the storage season. The U.S. average of 4-5¢ lb. wholesale probably does not adequately cover 1974 production costs, though in other recent years 3 and 4¢ lb. prices were common.

Spring Onion Price Margins

Record prices of 1973 encouraged a larger crop of spring onions in Southern Texas this year. Resulting

markets were sluggish and prices held steady throughout April and May. Yellow Granex mediums moved at around 4.5¢ lb., or \$2.25 per 50 pound bag, f.o.b. shipping point.

Prices on Eastern terminal wholesale markets were about 9-10cents/lb. for the sale size and variety in late May. Retail prices for onions in New York City, as reported by the City's Department of Markets, were as low as 19-23 cents/lb. during the Texas shipping season.

Onion prices: Reported by New York City, Dept. of Markets and U.S.D.A.-AMS

Week	New York City, Dept. of Markets	U.S.D.A.-AMS
	All onions, retail	Yellow Granex Mediums, F.O.B. Rio Grande Valley, Texas
	Cents per lb.	Cents per lb.
April 1-3	20-29	4.6
8-10	20-25	4.2
15-17	19-23	4.6
22-24	19-23	4.6
29-May 1	19-23	4.2
May 6-8	19-23	4.4
13-15	19-23	4.7
20-22	19-23	4.8

The Market News Service reported some onion fields in South Texas were disked under due to low farm prices. In that area, prices for yellows ran about 4.5-6¢ lb. with whites worth 6-7¢ lb. during the week ending May 18.

The May 29 wholesale price in Washinton, D.C., for jumbo yellows was 9-10¢ lb. with a few sales at 12.5¢. Late June retail prices for onions in the nation's capital were commonly reported at 34-39¢ lb. for whites; yellows were at 23-29¢. "Specials" went as low as 16¢ lb.

Spreads between farm and retail prices of Texas onions were slow to reflect the current supply condition.

Watermelons—Indicated summer 1974 watermelon production, based on average yield per acre, is 12.8 million cwt., down 16 percent from summer 1973. U.S. acreage is down 13 percent from 1973's 157,800 acres. Biggest declines are in Texas, Arizona, California, and Alabama. Minimal acreage gains in Mississippi, Oklahoma, and South Carolina are expected.

Mid-March through June import volume, 2179 carlot equivalents, ran well ahead of 1973 levels. But import volume tapered off as domestic supplies arrived in normal volumes the third week of May. During the early part of the period, import prices at South Texas and Nogales, Arizona, were about 25 percent higher than the year before.

Since June 1, Florida and Alabama f.o.b. prices

have been lower than last year. Much acreage intended for harvest June 1973 was not harvested and shipped until early July. This explains some of the weekly variation in prices. The average price received by growers in June 1974 was \$3.78/cwt., up 20 percent from June 1973.

The prospect of more limited supplies this summer is likely to maintain grower prices higher than July-September 1973.

Cantaloups—Like watermelons/cantaloup production this summer is headed lower than summer 1973. Based on average yield per acre, prospective production is 6.7 million cwt., down 11 percent. Prices received by growers can trend higher through the summer months than summer 1973, when growers averaged \$6.90/cwt.

Prospective acreage for harvest is off most dramatically in California. There, acreage is down from 42,000 to 31,500 acres at least partly the result of a shift to crops having surer profitability this year. The crop moving from El Centro (Imperial Valley) at summer's opening commanded 20 percent more per crate than in the same period last year. Unloads from California at major metropolitan terminals are one-fourth lower than early July 1973. Overall U.S. unloads are reflecting similarly smaller cantaloup availability.

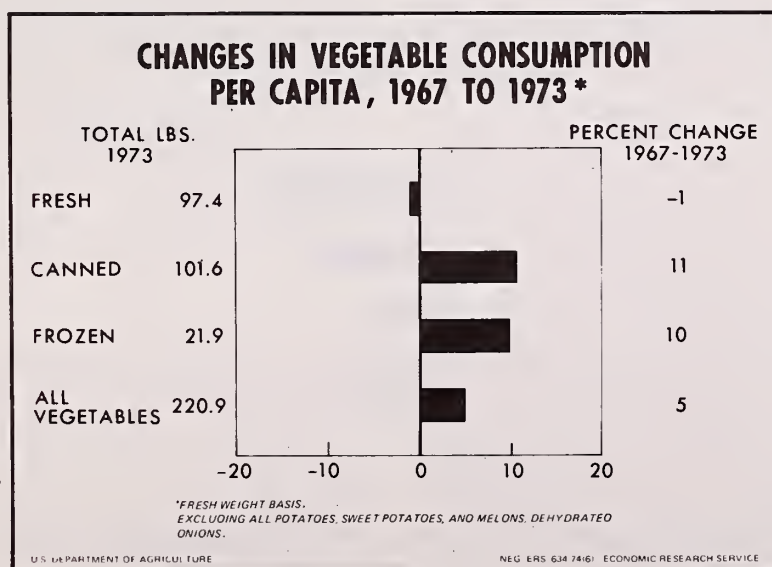
Because all melons are seasonally important to the SRS index of commercial vegetable prices received by growers, the short supply of cantaloups and watermelons will tend to list the index above summer 1973.

TRENDS IN VEGETABLE CONSUMPTION

Changes in vegetable use between 1967 and 1973 produced few surprises. In total, civilian per capita consumption of fresh and processed vegetables has increased from 209.4 lbs. in 1967 to 223.4 lbs. in 1973 on a fresh equivalent basis. The two years typically illustrate the different choices being made in vegetable markets. Year-to-year changes for fresh items are sharper than annual changes in processed vegetable use. Storage of processed vegetables permits a smoother pattern of distribution and consumption. No single year can give an across-the-board picture of typical vegetable disappearance, and 1973 did have its peculiarities. With prices for processed vegetables moving up less than most other food prices, unusually heavy use took place. With family food spending severely strained, vegetables—especially tomato products—often took

the place of, or were used to extend, meat dishes. Furthermore, processed vegetable price rises in 1973 were restricted by Cost of Living Council regulations more than was the case for fresh vegetables and other competing foods.

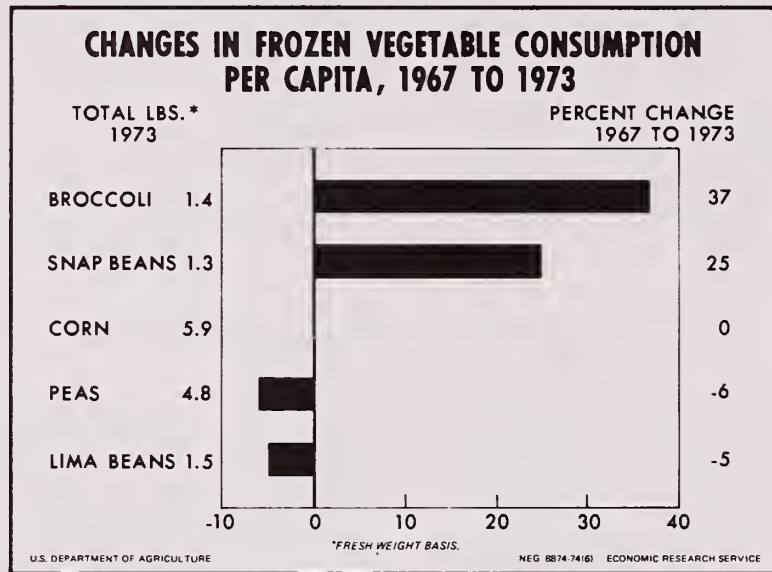
Among canned vegetable lines, the use of tomatoes and tomato products moved up 5 lbs. per person (fresh weight basis). The rather limited available data suggest that much of this increase took place during 1972 and 1973 because there was only moderate upward movement in per capita tomato use from 1967 to 1971. Last year, the use of canned peas moved up also, checking at least temporarily the downward trend in the disappearance of this commodity. Tomato product use will continue to follow both the fast food and convenience grocery product industries. Tomatoes and tomato products account for about half



of total canned vegetable use. Sweet corn and snap bean canned use were well maintained through 1973.

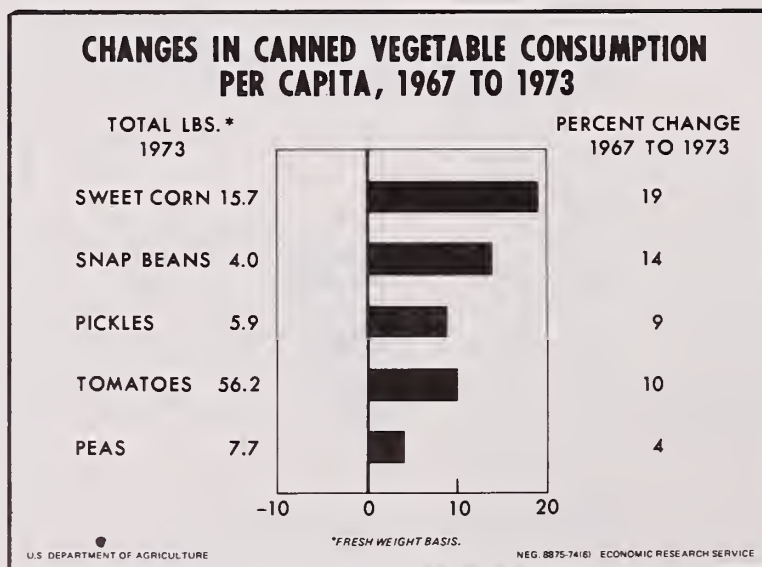
Frozen vegetables use (excluding potatoes) moved up moderately in 1973 after holding steady since 1970. Successful promotion of frozen corn on-cob

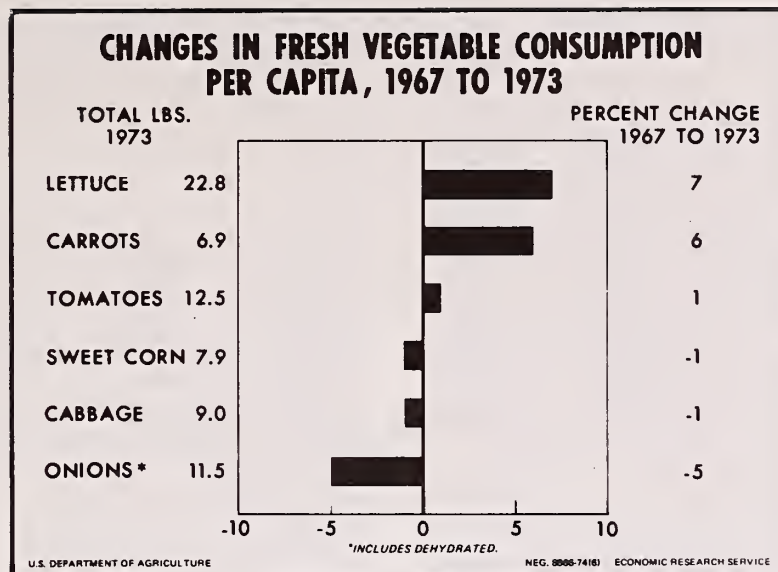
permitted much of this gain. Although frozen broccoli use increased, declines in peas and lima beans are evident. The supply of frozen peas was limited by the reduced 1972 crop, affecting consumption levels both in 1972 and 1973.



Declining fresh vegetable use per capita has stabilized to some degree. There was only slight change between 1967 and 1973. Among fresh vegetables, salad items are the only commodities which continue to demonstrate some gain. Abundant supplies of lettuce late in 1973 are reflected on the chart. Fresh tomato use has been maintained by

substantial Mexican imports the first half of each recent year. Fresh onion disappearance slipped in 1973 due to inadequate supply in the opening months of the year. Recently, an estimated 2.5 lbs. fresh onion equivalent per capita had been dehydrated annually. Until now, this amount was included in the fresh onion total. It is separated from 1973 fresh totals.





PROCESSED VEGETABLES

Review of 1973/74

The 1973/74 processed vegetable supply was only slightly larger than the previous season. Retailers and distributors faced about the same quantity of canned items but moderately larger frozen vegetable supplies. When retail prices of most foods moved up rapidly in the past twelve months, consumers turned to processed vegetables in an effort to stretch household budgets. Prices rises were less spectacular for canned and frozen vegetables than for other commodities. However, recently disappearance of canned items has slackened, due to tight supplies and lower prices for many other foods, including meat.

Total canned vegetable disappearance apparently set a record in the 1973/74 season, despite the light beginning supply. Experience among canners this season may have modified some previously-held ideas about optimum or necessary carryover size. Frozen vegetable use was similarly heavy. However, the inventory situation with frozen vegetables never became so acute as the canned position partly because of active winter packing of broccoli, cauliflower, spinach, and carrots in California.

1974 variables

This year's pack of vegetables will face a unique combination of events. Production costs on the farm are up. Attractive crop alternatives have been more diverse than ever. As a result, the ingenuity of growers and processors alike was taxed in order to assure adequate processing vegetable acreage. Output is needed to rebuild depleted stocks as well as

to meet expected final demand. Result: substantial price incentives have been offered by packers to growers of all important commodities.

Price increases offered to growers have a wide range. Some offers double the 1973 level while others are just one-fourth higher, depending on the crop and particular section of the US. One Midwest-based processor has added a new dimension to its contract with growers. Its final processing vegetable price hinges on fall harvest prices of crop alternatives such as field corn and soybeans. Presumably, prices of alternatives will be reflecting tight supply-disappearance balances for the 1973 and 1974 crops.

Grower bargaining groups have been more active in 1974—in California tomatoes, for example—and grower efforts in this direction seem to have gained, at least temporarily, some new momentum.

Total acreage of major processing vegetables this year appears to be up 5 percent over 1973. Such a gain results from across-the-board packer requirements for more tonnage, with green lima beans the only exception. Packer emphasis is directed to canned lines; the need to increase frozen supplies is not so marked.

Wholesale list prices have been advanced in early announcements of 1974's pack. However, inventories of both canned and frozen items can be either promoted or dealt off-list perhaps more easily under the higher, new price lists. Trade sources point out that allowances to clean up 1973/74 supply are being used this summer despite occasionally tight situations among some commodity lines. Canned vegetables carryover this summer was the narrowest in recent memory. Despite the higher list prices for new pack, there is likely to be active off-line and early season movement to replenish goods in short supply.

Table 2.—Vegetables for processing: Acreage and production, United States

Crop	Planted acreage			Production		
	1972	1973	1974	1972	1973	Indicated 1974
	1,000 acres	1,000 acres	1,000 acres	1,000 tons	1,000 tons	1,000 tons
Snap beans	279	310	321	613	741	n.a.
Green peas	405	428	456	512	492	557
Spinach (winter & spring)	24	24	25	138	140	n.a.
Green lima beans	77	83	81	91	98	n.a.
Beets	15	18	21	165	201	n.a.
Sweet corn	470	489	502	2,114	2,168	n.a.
Cucumbers for pickles	133	133	133	571	609	n.a.
Tomatoes	276	306	346	5,804	5,935	n.a.
Total - 8 vegetables ¹	1,680	1,789	1,884	10,008	10,384	n.a.

¹ May not add to total due to rounding. n.a. - not available.

Data from Vegetables-Processing, SRS, USDA.

Actual price levels, though, will be conditioned by crop yields of the leading four commodities: tomatoes, sweet corn, snap beans, and peas. If above-normal yields materialize on the expanded acreage, buyers of final products may not be in a hurry to secure their needs early in the marketing season. Processors and their commercial bankers could then wind up atop some high-cost inventories. A heavy output of tomato products is expected should California yields hold to trends of recent years.

Snap Beans

Planted acreage of snap beans is up 4 percent over 1973. Larger production is needed to rebuild canners' and distributors' stocks. A 24 percent bigger acreage is estimated for Wisconsin, Oregon and New York, the other two most important snap bean producers, have only moderately larger plantings this year. Production could be moderately above the record 1973 tonnage.

Stocks of canned beans on June 1 were relatively adequate. They were sharply above very thin supply remaining last year and only 5 percent lower than June 1, 1972. The 1973 pack and overall supply were enough to support a record disappearance July 1973 through May 1974. Lower supplies of other canned vegetables probably spurred greater use of beans.

With 8 percent more acreage devoted to canned green beans, average yields histories would imply a 1974/75 supply generous enough to foster further gain in use.

Frozen snap bean stocks of 77.6 million lbs. on July 1, the carryover date, were the biggest since 1969. Anticipated planting reduction of 9 percent reflects the current cold storage position. Wholesale lists for

frozen green beans have risen only moderately this past season. Some reports noted dealing off list in order to move French style beans before the new pack begins. In the 1973/74 marketing year, a record disappearance of frozen green beans was achieved.

Freezers have contracted for the new crop at prices sharply higher than 1973. One prominent Eastern packer calculates payments to growers at 9-10¢ lb. for 4-sieve size when a year ago the grower would have received 5-6¢ lb. Whether wholesale prices for the new pack will completely reflect such increases in cost is still in question.

Lima beans

Lima bean acreage in 1974 is slightly lower than last year. A drop of 14 percent in freezing requirements is planned despite fine trade movement of the commodity at sharply higher prices this past season. However, the canning side will register a gain of 22 percent in acreage. Nearly doubled acreage in Wisconsin offsets 7800 fewer acres planted in California.

Packing intentions for 1974/75 suggest that the trade is less than sanguine about future lima bean take-away. Combined stocks of frozen Fordhook and baby lima beans are on the low side, though above the small amount remaining for sale one year ago.

West Coast wholesale prices for old pack lima beans are nonetheless up 15-20 percent from June 1973. For the 1974 pack, freezers are likely to be paying 50-65 percent more to growers. Baby limas will be worth roughly 17-18 cents/lb., against 10-11 ¢/lb a year earlier. Fordhook prices received by growers have increased less.

Canners' stocks of lima beans May 1 were lower

than in most all recent years except 1973. Wholesale prices have held steady this spring. The 22 percent larger canning acreage, coupled with average yields, implies a substantial jump in 1974 pack and 1974/75 supply.

Peas

With total pea acreage 6 percent larger this year, there is the chance that severely depleted stocks of canned and frozen peas can recover. U.S. production is forecast 13 percent more at 557,000 tons. A level that permits steady and more normal movement of peas is possible. Acreage gains have been posted in all the important States, except for a sharp cutback in Idaho and a 13 percent reduction in Oregon. Fields in early-pack mid-Atlantic States and California have yielded well, but storm damage was responsible for some abandonment in Minnesota. Washington yields are good. Three-fourths of U.S. processing tonnage of peas is grown in Wisconsin, Minnesota, Washington, and Oregon.

Temporarily checking the trend of recent years, the take-away of canned peas in 1973/74 showed a fine performance. In this past season, only 4 percent less volume moved out of an 8 percent smaller total supply (canners and distributors combined). This left virtually no carryover in canners' hands June 1 of this year. Had there been a more normal supply of canned peas, movement would easily have exceeded that of 1972/73. With 8 percent more canning acreage than 1973 and more typical yield, supplies for 1974/75 should be adequate.

Stocks of frozen peas on June 1 were again very low despite a moderately larger 1973/74 beginning supply. A 3 percent increase in acreage planted for freezing is estimated. Supply of frozen peas in the new marketing year would support heavier movement. Wholesale prices are expected higher than 1973/74. Whether demand will support the sharply higher cost structure is not known. For example, one Eastern freezer expects to pay growers 11.5 cents/lb for top quality peas versus 7.5 cents/lb in 1973.

Sweet corn

Total sweet corn acreage for processing is only 3 percent higher than 1973. A 6 percent gain is expected for canning; a drop of 6 percent for freezing. Minnesota and Wisconsin account for slightly more than half U.S. sweet corn acreage. Both States saw extensive replanting requirements in spring 1974, a result of excessive and untimely rainfall.

Stocks of canned corn on June 1 were the smallest since 1967 and have been tight enough to restrict total disappearance. Between August 1, 1973 and May 1, 1974, shipments ran 4 percent larger than the corresponding period a year earlier. But canners' stocks by the August 1 carryover date are expected to

be near 1.5 million cases, the lowest since 1967 and substantially less than 1973. Such a position would represent a 10-day supply of this popular vegetable.

Late June wholesale list prices of \$4.90 per case (24/303 Midwestern whole kernel, fancy) compared with \$3.75 just twelve months ago. On the other hand, distributors' stocks are up from 1973, suggesting that recent movement of canned corn has slackened.

Frozen sweet corn stocks, at 84.2 million lbs. while greater than July 1 of 1973, are not excessive. The sharply larger 1973 pack of on-cob corn moved exceptionally well. Because stocks of cut corn are relatively higher, it seems reasonable to suggest that promotional efforts behind on-cob corn tended to check use of the cut pack.

Tomatoes

More acreage of tomatoes has been planted again this year in California. The gain: 13 percent over 1973. With at least average yields throughout the Golden State, 1974's pack of all tomato products should prove adequate. One or two items in the mix of products could turn up in abundant supply.

Growing conditions in California have been ideal so far. Heavy yields are expected. A move up from last season's 22.3 tons per acre yield to around 24 would result in processing tonnage roughly one-fourth greater than 1973. A crop this large can be expected to put some pressure on limited tinplate supply late in September or early October.

In order to secure adequate acreage, canners this spring offered a sharply higher price to growers. California tomato growers' contracts are in the \$55-\$57 per ton range, up from \$41 for 1973. Additional premiums for early and late season deliveries to canneries are also included. In the mid-Atlantic counties, prices growers are roughly \$20 per ton more than last year.

Total stocks of canned tomatoes on April 1 were just 14.8 million cases, pointing to a light carryover on July 1. Late June wholesale list are moderately to substantially above a year earlier. But California prices are up the least.

Due to limited production in several Mediterranean countries, imports this past season have fallen below a year earlier. Between July 1973 and May this year about 67 million lbs. of canned tomatoes were brought into this country, 44 percent less than in the same period a year earlier. A similar story applies to tomato paste. Nearly 75 million lbs. of paste were imported during the same period-off 38 percent.

Assuming at least an average-sized tomato crop in Italy, the currently depressed forward price for lira suggests that American importers could advantageously increase their purchases from that country this year. Any prospective decline in the Spanish peseta could similarly affect the level of importer interest.

At season's end, there were no price quotes for certain can sizes of tomato products in some sections of the country. Tomato juice stocks, while not generous, were 8 percent higher than a year ago (as of April 1) but sharply smaller than all other recent marketing years. Concentrated tomato products—catsup, sauce, and paste—are apparently in short supply. Among these product lines, substantially larger packs will be required in order to provide adequate supplies for 1974/75.

California canners, according to trade sources, hope to price new pack items a dollar per 303 case more than 1973's pack. List prices for catsup in late June were about \$1.00 more than a year ago. Paste, where available, has been \$2-\$3 more per case than mid-1973. Price rises for "industrial" tomato products (ingredients for prepared foods) are likely to spur replacement of some tomato solids with corn and soy based alternatives. Target markets would be those end items which do not have a FDA standard of identity establishing rigid tomato quantities.

The 1974 pack of tomatoes is partly dependent on timely arrival of foreign-made paste evaporators to help handle the expected record tonnage. While tinplate could become short late this season, the more widespread adoption of aseptic bulk storage and handling systems will eventually help "iron out" the former bulges in seasonal needs for labor, containers, and other packing inputs. Another key advantage of this new systems is the freeing of manufacturers from making an early commitment to a mix of container sizes that may not reflect true market conditions.

Broccoli

Stocks of frozen broccoli, exceeding 103 million lbs. on July 1 were much higher than one year before. Pack data (to be supplied later from the American Frozen Food Institute) will probably confirm heavy late winter and spring freezing activity in California. As a result of generous broccoli supplies, extensive promotion and dealing off list have been observed through recent weeks. Prices are 10-30 cents per case below the early-1974 peak. There are no present indications of fall pack plans, but the prospect of more generous availability of other processed vegetables may hold down activity then.

Frozen broccoli is the sole frozen vegetable surveyed for the Consumer Price Index. If the distribution and retailing industry has not widened its margins significantly, this component should lend some stability to the overall processed fruit and vegetable index.

Beets

Although the 1973 pack was larger, the total U.S. supply 1973/74 was not too much bigger than the limited quantities during 1972/73. Movement this

season has been brisk. Prices in late June for remaining supplies were fully 20 percent above June 1973. After July 1, further advances were announced by a major packer. The announcement could cover both old and new packs.

For 1974, a 15 percent larger acreage has been planted. Gains are most prominent in Wisconsin and New York, this year accounting for perhaps 70 percent of the national pack.

Sauerkraut

With the amount of cabbage contracted for kraut up an estimated 34 percent, the two consecutive seasons of short supply should end this fall. Open market acquisition of cabbage will probably decrease from the 21,400 tons reported both in 1972 and in 1973.

Canners' stocks left on July 1 were at near record low levels. Wholesale lists have been running 12-25 percent above mid-1973. Since annual disappearance has been restricted by lower supply, the bigger 1974 pack should find ready markets despite further price advances.

Spinach

Due to very heavy packing activity in California this past winter, frozen spinach stocks were well above a year ago. The March 1 carryover total was the largest since 1969. Stocks are still generous. Since April, prices for all types of pack have been below 1973 levels. At bargain prices, frozen spinach in bulk could probably stir Japanese trading interest.

Canners' and distributors' stocks of spinach were also reported higher than a year earlier in March as well as April. Despite larger supplies, wholesale list prices were quoted about 10 percent higher than a year ago in late June. Bigger supplies this time of year can be expected to result in less interest in making a large fall pack.

Cucumbers for Pickles

Preliminary acreage of spring and summer cucumbers is 133,040 acres, about the same as 1972 and 1973. The important spring and summer crops in the Midwest and South are little changed from 1973 although larger acreage is expected from Wisconsin and Indiana. A trade source estimates that as of April 1, pickle stocks were moderately below last year.

Asparagus

Current inventories of frozen asparagus are sharply below the level of either 1972 or 1973. California freezers have used less thus far and at least one facility ceased packing asparagus this year. In the East, total deliveries to processors were off moderately, although Maryland and Delaware had

sent larger amounts to canners and freezers this year through to June 1.

Wholesale prices for various frozen packs range from \$0.75 to \$1.10 per pound. There is serious question how much demand can exist at those prices. Competing vegetables are far less expensive. With per capita real income among U.S. households off this year, "luxury" foods are usually the first to feel spending cutbacks. On the field cost side, innovation in mechanical harvesting of asparagus would assist the competitive position of frozen and canned product lines.

At this writing, complete canned asparagus pack data are not available, although a larger pack was canned in California this year. However, there has been some reluctance to build large stocks in the face of high prices that would be required to recover increased 1974 costs.

Other processed vegetables

Supplies of *frozen carrots* are up dramatically over July 1973. A relatively large late winter pack of *cauliflower* in California boosted June 1 stocks of this commodity. There is a 10 percent larger summer cauliflower acreage for fresh market and processing this year. Most of this is grown in California, and presumably, some additional frozen pack will be made.

Dehydrated vegetables

This commodity group moves to three principal users. Grocery products manufacturers, who pack dehydrated vegetables dry in soup mixes, stew mixes, and meal extenders also incorporate these versatile ingredients in hundreds of wet packed products such as soups, frozen dinners, and so forth. The hotel, restaurant, and institutional trade uses the commodity because of its minimum requirements for storage and preservation. Finally, the traditional "spice" trade packs volume quantities of dehydrated vegetables (onions and garlic are typical examples) in small containers for consumer use.

USDA's Economic Research Service has recently attempted to refine its onion supply and use estimates, to account for the large proportion of the crop dehydrated. The raw product is still included in the Statistical Reporting Service's "Vegetable-fresh market" group. For 1973, dehydrated onion use per capita was 2.6 lb. fresh weight basis. Disappearance in 1972 and 1971 is estimated at 2.4 and 2.6 lbs., respectively. Users of per capita information on onions are therefore cautioned about the sharp decline apparent from 1970 to 1971. The drop from 12.4 to 9.7 lbs. per capita is entirely due to separation of onions marketed fresh from those delivered under contract to processors.

In early July, various trade sources were quoting

these prices for finished dehydrated vegetables on a "volume" basis f.o.b. plant:

<i>Commodity</i>	<i>Price, \$/Lb.</i>
Onions	
powder	0.58
chopped	0.70
sliced	0.81
Garlic	
powder	0.75
granulated	0.80
sliced	0.96
Celery, cross cut	2.02
Carrots	
diced	0.87
granulated	0.92
Tomatoes, powder	2.15
Peppers	2.7
red, diced	2.70
green, diced	3.22

POTATOES

Retail prices of potatoes in late spring and early summer have backed away from their record highs reached in May. This commodity faced obvious consumer resistance as fresh market prices in many cities had climbed over 30¢ per lb. However, larger new crop supplies from California, Arizona, Alabama, and Florida pushed grower, wholesale, and retail prices lower. On July 11 the estimate of spring potato production of 23.6 million cwt. showed a gain of 11 percent from the second quarter 1973 figure.

The prospect of larger and timely new crop supply also hastened removal of remaining storage potatoes. A virtual certainty of farm price decline stimulated shipping interest in Maine. Trade sources in late winter had suggested there was going to be a shortage of potatoes for delivery in late spring.

For fall 1974, U.S. acreage planted to potatoes could undoubtedly be higher than the intended 1.3 percent expansion reported by the Statistical Reporting Service in March 1974. Overall U.S. acreage expansion between 2 and 3 percent is likely. Such an increase would be more line with traditional analysis of supply response by growers after taking into account admittedly higher costs of production in 1974. Contributing to added interest in potato production in the Pacific Northwest was a sharp decline in wheat price expectations. Wheat competes for grower attention in dozens of potato producing counties. The No. 1 soft white, Portland, cash price declined from \$6.00 per bu. in late February to \$3.50-\$3.75 in late May. Although wheat showed additional upside movement during potato planting activity this spring, there may not have been enough stability

to counter a movement to slightly larger potato acreages.

Increased production this year holds out the possibility that per capita food use of potatoes (fresh and processed) will gain slightly in 1974 and 1975. A more detailed outline of the structure of final potato use is discussed in a special article appearing elsewhere in this Situation.

Grower Prices

The U.S. average price received by growers spring 1974 was \$7.71 per cwt., up more than 50 percent from the record prices in spring 1973. Growers and shippers in all States have benefited, at least temporarily, from these elevated prices. The SRS price of potatoes reported each month from January-April of any year is weighted heavily by seed potato sales. In 1974, seed stock prices moved up in some cases more rapidly than fresh market prices. Nevertheless, each price report reflects genuine enthusiasm for both old crop and fall 1974 prospects.

Maine reported SRS farm prices of \$11.70, \$12.10, and \$10.00 for spring months. Idaho potatoes moved at \$6.70 per cwt. and better March-June; North Dakota also saw prices \$5.85 per cwt. and up for these months. In each of these storage States, average prices have been 50 percent above comparable periods one year before. These old crop prices set the stage for California's new crop which moved in May at a record \$9.05 per cwt.

Among spring production areas, South Alabama registered an opening \$12.70 per cwt. for round reds, although late spring prices dipped below 1973's record level. Arizona, California, and Florida deals ran in similar fashion until the fourth week in May, at which time shipping point prices went below year-earlier figures. Increased volume this spring has largely offset any declines in prices received by growers. The price experience for growers in both 1973 and 1974 is quite unparalleled, two years of high prices back-to-back.

Summer Output

Summer potato production, estimated at 23.9 million cwt. is 11 percent larger than 1973. Both acreage and average yield adjusted for trend are up this year. Favorable grower prices have without doubt spurred growing activity and marketing prospects. Most summer deals are fresh market deliveries, with additional volume going to potato chipping plants. But the summer outlook is uneven. Bigger crops will move from Virginia, California, and New Jersey. Lower output in Texas is the only decline expected in major States. Shipping point prices, high by historic standards, are not likely to be up from comparable months in 1973.

Grower attention is directed instead to the August

12 Crop Production Report, in which potato acreage for fall harvest will be indicated. Thus, any unexpected development in that report could create a little more volatility in the price of September deliveries than in presently expected.

Fall Prospects

Although 20 days late in planting completion rates this spring, potato growers in the Red River Valley (Minnesota, North Dakota) have faced improved conditions as the crop got underway. Rain had delayed fieldwork and planting during May and June. Judging by one or two recent seasons in which planting was delayed, yield per harvested acre is not always adversely affected. More crop will therefore be available if growing conditions are near average the rest of the season.

Maine producers, according to trade sources, could have from 152,000 to 160,000 acres planted, up about 5 percent from the March 1, 1974 acreage intentions report. Good crop conditions have been reported. Yield advance from 1973 might be expected, except perhaps on marginally introduced land this year. Production of 35.0 million cwt. should not be ruled out—a gain of 20 percent from the abbreviated production in fall 1973. Nevertheless, Maine growers have an additional processing outlet this season and a more pronounced transport advantage over Western growing areas because common carrier tariffs are higher. But lower prices received by growers for the 1974/75 total crop are likely, though probably not below the higher production costs embedded in this fall's Maine crop.

In the Pacific Northwest, Idaho's yield per harvested acre has room to increase this fall. In the March acreage intentions, operators suggested little gain over planted acreage a year earlier. A rise of 2-3 percent in total Idaho potato plantings over 1973 would not be out of line with historical experience. Given a typical yield per harvested acre, an Idaho crop in excess of 82.0 million cwt. could result, up 6 percent from last year.

Although unusual circumstances surrounded growers' behavior this spring, the March 1 intentions report has generally been closely correlated with the results of enumerative surveys of potato acreage actually planted. Thus, caution is advised on the possibility of increased availability from the three growing areas discussed.

Frozen Potato Products

On April 25, the Northwest Food Processors Association reported that Idaho frozen potato shipping volume for 1973 was 1.61 billion lbs., up from 1.38 billion lbs. the year before. One billion pounds moved by rail; 0.6 billion by truck. Consumer purchases of retail sizes probably grew because of

high fresh potato prices. However, most increased volume went to institutional/food service. Fast food outlets' commissaries were one of the important destinations receiving these products. Next report covering first quarter 1974 data: final week of July.

Monthly cold storage totals, January through July 1974, seem to confirm a tapering-off of inventory rebuilding. July 1 inventory of all frozen potato products, 5 percent more than a year ago, was reported 536 million lbs. Frozen french fried potatoes alone were 426 million lbs., up 2 percent from July 1, 1973.

Due to increased raw product and other processor expenses, the food service and institutional markets will see a rise in price by this fall. The 28¢ to 33¢ lb. range for top quality fries could be replaced by a price structure approaching 40¢ lb. Higher wholesale prices are also expected in the retail size market. The June BLS retail price for frozen french fried potatoes is 21.6 cents per 9-oz. pkg. Because retail freezer case prices are 26 percent higher than a year ago, an increase in wholesale cost can probably be absorbed. Most of the 26 percent gain came since mid-winter 1974, due to elevated fresh potato prices.

Dehydrated

Some capital equipment manufacturers' estimates place expansion underway at about 18 (net) drums, to be ready for the fall crop. All but 2 or 3 are likely to be producing flakes for restructured potato chips. Based on manufacturers' rated capacity, a new Crookston, Minnesota plant could handle 1.4 million cwt., and a smaller Caribou, Maine facility about 0.5 million cwt. of fresh potatoes. These and other installations described in the May *Vegetable Situation* could yield 80-100 million lbs. more flakes than processors are estimated to have produced from the 1973 crop. So, a year-to-year growth of at least 25 percent is expected in this industrial vegetable commodity.

Added packing of instant mashed potatoes is likely. In the 1973/74 marketing season, this form of dehydrated potatoes "sold itself" in the face of high fresh potato prices. From June 1973 to June 1974, the retail price of a 70-oz. pkg. (reported by BLS) advanced from 43.1 cents to 50.0 cents. Because of the attractive cost per serving, many shoppers bought instant mashed potatoes for the first time during winter and spring 1974.

Industrial use potato flakes have backed away from their peak prices achieved in early spring. As more dehydration activity goes on stream by the fall, further shading in price can occur. A drop from 50¢ lb. to about 40-42¢ lb. (excluding transportation) is not an unreasonable possibility.

Private sources also pointed to accelerated pricing for potato flour, used for some snack items. Spot prices a year ago for big volumes were about 15¢ lb. July 1974, by contrast: 40¢ lb. Even with strong

demand, doubts exist about the realism of such a flour price.

Users of either USDA or Department of Commerce data on dehydrated potatoes should alert themselves to differences in data sources. The previous *Situation* noted the 1972 Census of Manufactures total of dehydrated potato shipments at 505.9 million lbs. for the year 1972. Ordinary conversion ratios, if employed, would imply a crop utilization about 7.0 million cwt. above the USDA Statistical Reporting Service's figure for either crop years 1971 or 1972. Some factors to note: both surveys contain potential for omission or double-counting, though every effort is made to avoid such problems. The 1971 crop was very generous, and much was dried during 1972. USDA and Commerce reporting periods are not identical. Finally, dehydrated co-product from frozen potato manufacturing lines is not always reported. Many processors orient their survey response to the first or chief use of potatoes the basis on which delivery was taken and paid for.

Currently, 8 firms either market or are developing restructured potato chips, up from 3 firms 2 years ago. Regional marketing efforts for new products include Arizona, Ohio, and Washington State. Because of the size of the market for these chips, additional entrants—some regional—can be expected.

Although some progress appears to have been made in product development for extruded french fries, only 2 nationwide fast food chains use them extensively. The industry's leadership elements do not plan any considerable switching from conventional frozen french fried potatoes in the near future. Indeed, a rapid shift is impossible: dehydration capacity would simply not be adequate.

Chips

Astute buying patterns by chipping firms during spring brought the Hastings, Florida, chipping stock price to the \$5.50/cwt. level. Early in May, some shipments had moved at a top price of \$9.00/cwt. Overall, potato chippers are currently among the better situated users of the crop, though prices received by growers will be higher this fall in major contracting areas. For example, contracts negotiated in Pennsylvania for new crop call for \$4.65/cwt. In New York, growers will probably get \$4.75.

Market behavior of potato chip manufacturers is not unlike other processing organizations this season. When more crop is anticipated nationwide, firm commitments for any processed use are generally a bit lower than in years when the crop seems to be lighter. However, the experience of the last two seasons may suggest that many potato users do not want the "surprises" associated with less than complete contracting. Many processors were required to make additional open market purchases at sharply advanced prices.

Starch

Actual utilization of potatoes for starch is probably higher than USDA statistics indicate. Capital equipment, priced about \$8,000 per unit, is available for attachment to chipping lines. Concern over effluent discharge costs are well as attractive food prices for starches could spur installation. In the past, starch lines have depended on culls for raw product. But because these culls are used now for potato flakes, starch lines are mostly dependent on other processing use waste for raw product. Quoted at 4-5¢ lb. range a year ago, industrial starch prices have moved to a 10-12¢ lb. level this year.

Seed

Though generally constant in quantity used from year to year, seed use is likely up from 1973. The Potato Utilization Report—to be released August 23—will contain the final figures. Seedstock deliveries, while strong, were made often at price levels which may have discouraged a more usual pattern of acreage expansion. Sources in seed potato areas suggest a bit more acreage certified for seed this year than in 1973, although a complete national estimate is not known. But a Washington State report on certified seed deliveries pointed to a 16 percent jump over 1973.

Processing Contracts

Although potato growers in Idaho settled around a \$4.00 per cwt. reference price in processing contracts, a smaller proportion of potential output is firmly committed than previous years. The new, higher raw product price has encouraged additions to processor owned or leased potato land as crop users hope to keep down their wholesale cost structure for processed products. In Maine, the fall base price is \$3.25 per cwt., up substantially from 1973. This price is to increase by weekly increments throughout the storage season.

Potato Futures Activity

The prospect of larger new crop potato supplies, both spring and fall, turned the profile of Maine potato futures prices lower during second quarter. Despite declines in price, total trading interest continues strong, especially on the New York Mercantile Exchange. Reported volume of all futures in second quarter 1974 was \$0.74 billion, up from \$0.36 billion worth of contracts exchanged a year earlier.

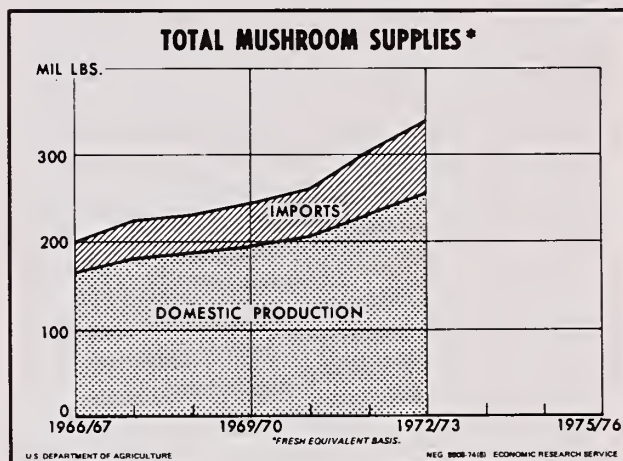
Subject to approval by the USDA Commodity Exchange Authority (CEA) is a revised Idaho Russet contract on the Chicago Merchantile Exchange. Proposed changes: car size would go up to 80,000 lbs. Also, each car would be split 50-50 between 50 lb. count cartons and 5 and 10 lb. poly-bagged potatoes.

The claimed merit of these changes is that the wholesale and retail elements could find smaller cartons and bags easier to trade than 100-lb. sacks.

Also in June, the New York Mercantile Exchange lowered margin requirements for potato futures trading. The November 1974 figure was dropped from \$500 per contract to \$400. January, March, April, and May 1975 figures were reduced from \$800 to \$500. The NYME periodically adjusts potato margin requirements based on trading volume, absolute price levels of the futures, and volatility of the market.

MUSHROOMS

Both fresh and processed mushroom movements were affected by canned product recalls in the 1973/74 season. It is thus difficult to determine at this time whether the total domestic production and sales exceeded a year ago. However, U.S. production data will become available late in August. Fresh sales probably made further gains in 1973/74, but processed movement probably slackened considerably.



With temporarily reduced demand, grower prices at Kennett Square, Pa. averaged \$1.79 for 4 quart baskets of medium and large-sized stock for October through May, when prices are reported regularly. This figure was well below the 1972/73 season price of \$1.99 and the \$2.19 price for 1971/72. This poor performance comes partly from increased supplies diverted to fresh market outlets, but also the canned product recalls which according to trade observers affected fresh demand as well. Toward the latter part of the season, fresh market prices began to strengthen, but even so, the mushroom industry has just experienced a most difficult marketing season. Fortunately, signs point to an upturn in both fresh and processed demand.

The extent to which demand was reduced by product recalls showed up in two examples. Prices to growers for clean cut processing stock ranged from 30-36¢ lb. during the 1973/74 seasons, well below the 35-42¢ of 1972/73. Imports of canned mushrooms for July 1973 through May 1974 were 41.3 million lbs., 5 percent less than in that period a year earlier. There is some pressure to increase wholesale prices to reflect added container and labor costs. As of early July, this trend was not yet industry-wide.

SWEETPOTATOES

Monthly grower prices for sweet potatoes moved below those in May a year earlier. Prices had trended higher than 1972/73 each month this past marketing season. Sweets have again benefited from strong processor demand plus the heavy demand for all foods. Average grower prices moved up from \$6.02 to \$11.20 per cwt. between October and June. Comparable movement the previous season was \$4.05 to \$11.65 per cwt. The size of the 1972 and 1973 crops involved was very close—12.45 and 12.53 million cwt., respectively. Movement of canned sweetpotatoes has been substantially heavier than a year earlier because the 1973 pack was roughly 12 percent larger. Stocks of canned sweets on May 1 were 4 percent more (basis 24/303's) than the small quantity held a year earlier. Trade sources report no spot supplies available except for a few 2½'s which were quoted at \$10.50 per case, \$2.50 more than a year earlier. New pack will therefore see ready outlets and higher prices are expected. Another limited 1973 pack of 7.5 million lbs. was frozen, mostly for institutional use.

1974 Prospects

Though the first production estimate for 1974 will be made on August 12, the U.S. acreage for harvest is 7 percent more than last year. In Virginia, North Carolina, and Louisiana where processing is important, the combined acreage is 70,400. More have been planted in North Carolina and Louisiana but Virginia acreage remains the same. Again, heavy processor demand is expected to strengthen grower prices, but average yields would bring on a crop large enough to hold prices close to or below the \$6.02 October 1973 average.

DRY EDIBLE BEANS

Record Prices Now Easing

After unprecedented increase in prices this past winter, the bean market is now beginning to reflect the prospect of more abundant supplies this fall and lower prices of other protein foods. The U.S. average

Table 3.—Sweetpotatoes: Acreage by States, United States

State and area	1972	1973	Indicated 1974 ¹	1974 as percent-age of 1973
	1,000 acres	1,000 acres	1,000 acres	Percent
New Jersey	1.5	1.6	1.8	112
Maryland	2.2	2.1	2.1	100
Virginia	6.8	7.4	7.4	100
Central Atlantic ..	10.5	11.1	11.3	102
North Carolina	24.0	25.0	28.0	112
South Carolina	2.0	2.0	2.5	125
Georgia	8.0	7.5	8.0	107
Lower Atlantic ..	34.0	34.5	38.5	112
Tennessee	2.3	3.2	3.0	94
Alabama	4.8	4.5	5.5	122
Mississippi	10.0	9.5	9.5	100
Arkansas	1.4	1.5	1.7	113
Louisiana	33.0	33.0	35.0	106
Texas	12.5	9.5	10.5	111
Central	64.0	61.2	65.2	107
California	5.8	6.4	6.0	94
United States ...	114.3	113.2	121.0	107

¹ Indicated as of July 1.

Data from Crop Production, SRS, USDA, July 1974.

price for dry beans hit a record \$47.30 per cwt. in March this year, 4 to 5 times as much as the \$10-\$12 in other recent years. The June price of \$37.90/cwt. marks one of the several downward steps this commodity is expected to be taking in the next few months.

The available supply for the season now ending was about 8 percent smaller than a year earlier, indicating a year of reduced, though not record small, supplies. However, with strong worldwide demand and high prices for all domestic protein foods, movement was especially heavy. Probably about 14 million cwt. or 2 percent less than 1972/73, will have moved through domestic trade channels this season. Also, through May of this year 2.5 million cwt. Moved through export outlets. This compared with 2.9 million cwt. a year earlier. The carryover will be the lowest in at least 10 years.

Prices for all classes of beans were record high but there were substantial differences. The run-up of pinto beans (f.o.b. dealers platform) to more than 60¢ lb. was probably the most spectacular price change. Baby and large limas, also blackeye peas, were as high as 41¢ lb. with great northerns kidneys up to 50-52¢ lb. These prices finally choked off movement. In May, growers and dealers began moving the limited

stocks remaining to market, knowing that peak prices had passed. As of early July, California blackeye peas at 21¢ lb. were the lowest priced bean. At the same time, Idaho great northrens were \$26.50 per cwt.

Government Program Activity

With record high prices, purchases for school lunch and direct distribution programs were reduced to 38.2 million lbs. versus 80.5 million lbs. in Fiscal Year 1973.

The level of farm loan activity was negligible. Only 70,000 cwt. were placed under loan and these were redeemed by May 31. The figure in 1972/73 was 947,000 cwt.

1974/75 Outlook

In line with earlier reported intentions, a substantially larger bean acreage has been planted in 1974. Acreage for harvest is 12 percent more this year. With average yields, production could easily reach 9 to 19½ million cwt. Despite the small carryover, a crop this size would suggest ample supplies for both domestic and export use.

In Michigan, the major producer, acreage is up 7 percent over 1973, suggesting a larger crop of pea beans. Gains in Minnesota and Idaho suggest more pintos, although Colorado acreage is less this year. Great northern acreage, largely in Nebraska and Idaho, also promises to be up. California acreage increase is 14 percent, the crop there split among limas, blackeyes, kidneys, and several small classes; lima acreage increased 12 percent.

Planting was later than normal in most areas due to a cool, wet spring. For example, Michigan planting

was delayed by heavy rains as late as mid-May. Periodic rains in western New York slowed early planting but improved weather permitted rapid progress. Emerging beans were in good condition. In Minnesota, development was slowed by extended cool weather. Irrigation began later than usual in Washington; recent hot weather has accelerated growth. In both Colorado and California, planting progressed under mostly favorable weather conditions. Bean fields were generally in good condition although moisture is needed in Colorado.

DRY EDIBLE PEAS

The 1973 crop was the second consecutive short one. As a result, grower prices advanced rapidly the last half of 1973. Last quotes in March 1974 were 31¢ lb. This price level seems unreal in light of a 6¢ price in early 1973 and a 3½¢ price in 1972. Strong export demand existed but there were limited supplies available to fill this need. Season shipments to other countries, through May 31, were 183 million lbs., 40 percent below 1972/73. With such a light supply, Government purchases were also very small—2.4 million lbs.

Current Situation

With acreage for harvest at 218,300, 60 percent more than a year ago, a sharply larger crop may be expected this season. But wet spring weather delayed planting a month in eastern Washington and northern parts of Idaho. Unseasonable, warm June weather checked bloom in Idaho and may have caused some damage. The crop in Washington was reported to be making good progress as of July 1.

Table 4.—Commercially produced vegetables: Civilian per capita consumption, averages 1947-49, 1957-59, and 1960 to date

Period	Total fresh and processed	Fresh equivalent				As percentage of annual total			
		Fresh ¹	Processed ²			Fresh	Processed		
			Total	Canned	Frozen		Total	Canned	Frozen
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1947-49	199.7	120.5	79.2	72.6	6.6	60.3	39.7	36.4	3.3
1957-59	199.7	104.1	95.6	81.1	14.5	52.1	47.9	40.6	7.3
Year									
1960	202.3	105.7	96.6	81.7	14.9	52.2	47.8	40.4	7.4
1961	199.8	103.7	96.1	81.3	14.8	51.9	48.1	40.7	7.4
1962	201.0	101.3	99.7	83.7	16.0	50.4	49.6	41.6	8.0
1963	201.5	101.2	100.3	84.9	15.4	50.2	49.8	42.1	7.7
1964	198.4	98.6	99.9	83.7	16.2	49.6	50.4	42.2	8.2
1965	200.9	98.3	102.6	85.2	17.4	48.9	51.1	42.4	8.7
1966	201.5	95.9	105.6	86.7	18.9	47.6	52.4	43.0	9.4
1967	209.4	98.2	111.2	91.3	19.9	46.9	53.1	43.6	9.5
1968	214.9	101.2	113.7	92.7	21.0	47.1	52.9	43.1	9.8
1969	212.1	97.9	114.2	94.9	19.3	46.2	53.8	44.7	9.1
1970	213.1	98.5	114.6	94.0	20.6	46.2	53.8	44.1	9.7
1971	213.0	99.2	113.8	93.6	20.2	46.6	53.4	43.9	9.5
1972	215.0	98.3	116.7	96.3	20.4	45.7	54.3	44.8	9.5
1973 ³	223.4	99.8	123.6	101.7	21.9	44.7	55.3	45.5	9.8

¹ Includes dehydrated onions and excludes melons. ² Data includes pickles and sauerkraut in bulk; excludes canned and frozen potatoes, canned sweetpotatoes, canned baby foods and canned soups. ³ Preliminary.

Table 5.—Potatoes, sweetpotatoes, dry edible beans, and dry field peas: Per capita consumption, primary distribution weight, averages 1947-49, 1957-59 and annual 1960 to date¹

Period	Potatoes ²	Sweet-potatoes ³	Dry edible beans ⁴	Dry field peas ⁵
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
1947-49	114	13.0	6.7	0.6
1957-59	107	8.3	7.7	.6
Year				
1960	109	7.1	7.3	.6
1961	110	6.5	7.9	.3
1962	108	6.7	7.6	.8
1963	113	6.9	7.6	.7
1964	112	5.5	7.6	.5
1965	108	6.2	6.6	.4
1966	118	6.3	6.3	.4
1967	109	5.8	6.9	.2
1968	115	5.7	6.4	.3
1969	117	5.7	6.9	.3
1970	118	5.6	5.9	.3
1971	119	4.9	5.9	.3
1972	119	5.1	6.4	.3
1973 ⁶	117	5.3	6.7	.5

¹ Civilian consumption only. ² Farm weight basis, calendar years. Includes farm garden produce but not nonfarm. Includes table-stock and processed potatoes. ³ Includes canned sweetpotatoes. ⁴ Cleaned basis, calendar years. ⁵ Cleaned basis, crop years beginning approximately September of year indicated. ⁶ Preliminary.

Table 6.—Civilian per capita consumption of selected commercially produced fresh and processed vegetables¹
United States, calendar years 1957-73

Commodity	Fresh equivalent basis																
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973 ²
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Asparagus																	
Fresh .....	.80	.80	.70	.70	.60	.60	.60	.50	.60	.40	.40	.50	.40	.50	.50	.50	.40
Canned	1.00	.98	.97	.88	.92	.96	.83	.88	.90	.83	.80	.87	.83	.81	.73	.70	.77
Frozen .....	.31	.29	.38	.40	.30	.34	.30	.33	.28	.30	.32	.30	.28	.28	.24	.19	.21
Beans, lima ³																	
Fresh .....	.30	.30	.30	.40	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30
Canned .....	.69	.61	.60	.57	.56	.55	.55	.52	.43	.31	.43	.46	.52	.54	.50	.44	.44
Frozen	1.59	1.58	1.51	1.57	1.45	1.51	1.50	1.52	1.45	1.47	1.53	1.56	1.33	1.50	1.35	1.45	1.46
Beans, snap																	
Fresh	2.90	2.60	2.50	2.60	2.50	2.30	2.20	2.10	2.00	1.90	2.00	1.90	1.80	1.70	1.60	1.70	1.50
Canned	2.82	3.03	2.99	2.99	3.01	3.17	3.06	3.27	3.31	3.50	3.54	3.76	3.91	3.98	4.01	3.99	4.03
Frozen .....	.91	.97	.98	.92	.87	.97	1.04	.99	1.07	1.24	1.07	1.18	1.14	1.24	1.22	1.26	1.34
Broccoli																	
Fresh .....	.50	.40	.40	.40	.40	.30	.40	.30	.30	.30	.30	.40	.30	.40	.40	.40	.60
Frozen .....	.67	.74	.78	.84	.78	.83	.79	.88	.90	.95	1.03	1.05	1.11	1.10	1.19	1.32	1.41
Cabbage																	
Fresh	10.90	10.80	1.10	10.30	9.70	9.80	9.70	9.50	8.90	8.90	9.10	9.30	9.00	8.70	9.20	8.80	9.00
Canned ⁴	2.14	2.34	2.20	2.20	2.22	2.23	2.17	1.96	2.23	2.21	2.23	2.56	2.30	2.37	2.47	2.19	2.19
Corn ⁵																	
Fresh	7.70	8.40	8.80	8.50	8.40	8.30	8.20	7.80	8.10	7.40	8.00	7.80	7.20	7.20	7.50	7.80	7.90
Canned	13.51	13.47	12.68	13.20	12.32	13.64	13.78	13.85	13.54	12.95	13.22	14.19	15.08	14.66	15.18	15.98	15.73
Frozen	2.41	2.77	2.68	2.49	2.69	3.22	3.31	3.60	4.19	4.64	5.93	5.87	5.35	5.96	5.41	5.41	5.88
Cucumbers																	
Fresh	3.10	2.80	2.60	2.90	3.00	2.80	3.10	3.00	3.10	3.00	3.10	2.90	3.10	3.20	3.10	3.10	3.10
Canned ⁶	3.87	4.04	3.96	3.78	3.99	4.41	4.40	4.61	4.62	4.95	5.42	5.74	5.76	5.50	5.65	5.83	5.93
Peas, green ³																	
Fresh .....	.30	.30	.30	.30	.30	.30	.20	.30	.20	.20	.10	.30	.30	.30	.30	.30	.30
Canned	8.23	8.16	8.57	7.76	7.85	7.39	7.40	7.38	7.44	7.58	7.39	7.56	7.49	7.06	6.86	6.87	7.71
Frozen	4.42	4.57	4.45	4.83	4.50	5.03	4.87	4.91	5.40	5.58	5.10	5.66	4.86	5.04	4.92	4.92	4.80
Spinach																	
Fresh	1.00	1.10	1.00	.90	.80	.70	.70	.60	.60	.60	.60	.60	.40	.30	.50	.50	.50
Canned .....	.80	.84	.85	.78	.71	.79	.70	.63	.64	.55	.57	.65	.47	.62	.58	.65	.73
Frozen .....	.91	.93	1.01	.88	.89	.85	.83	.88	.89	.98	1.00	1.00	.96	.97	1.04	1.03	.96
Tomatoes																	
Fresh	12.60	11.90	12.80	12.60	12.60	12.70	12.00	12.20	12.00	12.40	12.40	11.90	11.70	12.20	11.40	11.90	12.50
Canned ⁷	41.71	42.34	42.80	43.69	44.25	44.98	46.46	44.98	45.91	47.59	51.00	50.42	51.30	51.30	50.39	51.96	56.15

¹ Data for processed vegetables excludes quantities consumed in commercially produced soups, and baby foods and in canned wholesale mixtures such as peas and carrots and succotash. ² Preliminary. ³ "In pod" basis. ⁴ Sauerkraut, canned and bulk. ⁵ "On-cob" basis. ⁶ Pickles, canned and bulk. ⁷ Including canned whole tomatoes and tomato products other than soup.

Table 7.—Fresh vegetables and melons, commercial: Per capita consumption, farm weight, averages 1947-49, 1957-59, and 1962 to date¹

Period	Vegetables															
	Leafy, green and yellow															
	Toma- toes	Art- chokes	Aspar- agus	Lima beans (un- shelled)	Snap beans	Broc- coli	Brussels sprouts	Cabbage	Carrots	Kale	Lettuce and escarole	Green peas (un- shelled)	Peppers	Spinach	Minor	Total
Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947-49	13.8	.2	1.0	.6	4.1	.9	.2	16.1	8.8	.2	18.6	.9	2.1	1.9	6.3	61.9
1957-59	12.4	.2	.8	.3	2.7	.4	.1	10.6	7.3	.2	20.3	.3	2.2	1.0	5.2	51.6
Year																
1962	12.7	.2	.6	.3	2.3	.3	.1	9.8	7.0	.1	20.5	.3	2.3	.7	5.3	49.8
1963	12.0	.2	.6	.3	2.2	.4	.1	9.7	7.3	.1	21.4	.2	2.5	.7	5.1	50.8
1964	12.2	.3	.5	.3	2.1	.3	.1	9.5	6.9	.1	21.0	.3	2.3	.6	4.9	49.2
1965	12.0	.3	.6	.3	2.0	.3	.1	8.9	7.0	.1	21.7	.2	2.3	.6	4.6	49.0
1966	12.4	.3	.4	.3	1.9	.3	(²)	8.9	6.4	.1	21.6	.2	2.4	.6	4.0	47.4
1967	12.4	.4	.4	.3	2.0	.3	.1	9.1	6.5	.1	22.1	.1	2.6	.6	3.6	48.2
1968	11.9	.3	.5	(³)	1.9	.4	(²)	9.3	7.5	(³)	22.5	(³)	2.8	.6	5.5	51.3
1969	11.7	.3	.4	(³)	1.8	.3	(²)	9.0	6.8	(³)	22.1	(³)	2.6	.4	4.7	48.4
1970	12.2	.3	.5	(³)	1.7	.4	(²)	8.7	6.6	(³)	22.8	(³)	2.4	.3	5.0	48.7
1971	11.4	.4	.5	(³)	1.6	.4	(²)	9.2	7.2	(³)	23.2	(³)	2.6	.5	4.7	50.3
1972	11.9	.3	.5	(³)	1.7	.4	(²)	8.8	6.5	(³)	23.2	(³)	2.6	.5	4.6	49.1
1973 ⁴	12.5	.3	.4	(³)	1.5	.6	(²)	9.0	6.9	(³)	23.5	(⁴)	2.8	.5	4.2	49.7
Period	Vegetables															
	Other															
	Beets	Cauli- flower ⁵	Celery	Corn	Cucum- bers	Egg plant	Garlic	Onions and ⁶ 7 shallots	Minor	Total	Total vege- tables	Water melons	Canta- loups	Total melons	Total vege- tables and melons	Dehy- drated onions
Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947-49	1.3	3.3	8.2	8.0	2.6	.4	.2	12.0	8.8	44.8	120.5	17.8	9.6	27.4	147.9	
1957-59 .....	.7	1.3	8.0	8.3	2.8	.4	.3	11.7	6.6	40.1	104.1	16.9	9.2	25.1	129.2	
Year																
1962 .....	.6	1.2	7.2	8.3	2.8	.4	.2	11.7	6.4	38.8	101.3	4.6	8.5	23.1	124.4	
1963 .....	.5	1.1	6.9	8.2	3.1	.4	.3	11.9	6.0	38.4	101.2	15.9	8.7	24.6	125.8	
1964 .....	.5	1.0	6.8	7.8	3.0	.4	.4	11.4	5.9	37.2	98.6	14.8	8.2	23.0	121.6	
1965 .....	.5	1.0	6.7	8.1	3.1	.4	.4	11.4	5.7	37.3	98.3	15.7	7.9	23.6	121.9	
1966 .....	.4	1.0	6.9	7.4	3.0	.4	.3	11.5	5.2	36.1	95.9	14.8	7.3	22.1	118.0	
1967 .....	.4	1.0	6.8	8.0	3.1	.4	.4	12.1	5.4	37.6	98.2	14.2	8.1	22.3	120.5	
1968	(³)	1.0	7.2	7.8	2.9	.4	.5	11.9	6.3	38.0	101.2	14.4	8.6	23.0	124.2	
1969	(³)	.9	7.2	7.2	3.1	.4	.5	12.4	6.1	37.8	97.9	13.7	9.0	22.7	120.6	
1970	(³)	.8	7.1	7.2	3.2	.4	.5	12.4	6.0	37.6	98.5	14.4	8.9	23.3	121.8	
1971	(³)	.8	7.3	7.5	3.1	.4	.3	9.7	5.8	34.9	96.6	14.1	8.5	22.6	119.2	2.6
1972	(³)	.8	7.2	7.8	3.1	.5	.4	9.4	5.7	34.9	95.9	13.2	8.7	21.9	117.8	2.4
1973 ⁴	(³)	.7	7.7	7.9	3.1	.6	.5	8.8	5.7	35.0	97.2	13.8	8.0	21.8	119.0	2.6

¹ Excludes quantities produced in home gardens.

² Less than 0.05 pound. ³ Included in minor vegetables.

⁴ Preliminary. ⁵ Close trim basis since 1954; slight trim basis in prior years. ⁶ Includes 0.1 pound of shallots each year through 1958; 1959 through 1967 less than 0.05 pound; since 1968, include in minor vegetables.

⁷ Excludes dehydrated onions beginning 1971.

Table 8.—Canned vegetables: Per capita consumption, processed weight, averages 1947-49, 1957-59 and annual 1962 to date¹

Period	Leafy, green and yellow vegetables							Tomato products					Other vegetables							
	Aspar- agus	Lima beans	Snap beans	Carrots	Peas	Pump- kin and squash	Spin- ach	Whole toma- toes	Catsup and chili- sauce	Paste and sauce	Pulp and puree	Toma- to and other vege- table juices ²	Beets	Corn	Pickles	Sauer- kraut	Sweet- pota- toes	Other ³	Total	
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947-49 ..	.6	.4	2.8	.4	5.7	.6	1.1	4.3	2.5	2.4	.9	4.2	1.1	5.2	3.3	1.8	.4		39.1	
1957-59 ..	.8	.4	4.1	.5	4.8	.6	1.0	4.6	3.5	3.4	.7	5.0	1.4	5.3	4.5	1.6	1.0	1.6	44.8	
Year																				
1962 ...	.8	.4	4.5	.6	4.1	.6	1.0	4.6	4.1	⁴ 3.9	.8	4.7	1.4	5.5	5.6	1.4	1.3	1.6	46.9
1963 ...	.7	.4	4.4	.6	4.1	.5	.9	4.6	4.3	4.0	.8	5.4	1.5	5.6	5.7	1.4	1.1	1.5	47.5
1964 ...	.7	.4	4.8	.6	4.1	.6	.8	4.5	4.6	⁴ 3.9	.8	4.5	1.4	5.6	6.2	1.2	1.0	1.5	47.2
1965 ...	.8	.3	4.8	.6	4.1	.5	.8	4.5	5.0	⁴ 3.9	.8	4.7	1.4	5.5	6.2	1.4	1.3	2.1	48.7
1966 ...	.7	.2	5.1	.7	4.2	.5	.7	4.6	4.8	4.2	1.0	4.4	1.4	5.2	6.6	1.4	1.2	2.1	49.0
1967 ...	.7	.4	5.1	.7	4.1	.5	.7	4.6	4.7	⁴ 5.0	1.0	4.2	1.4	5.4	7.3	1.4	1.1	2.3	50.6
1968 ...	.7	.3	5.5	.6	4.2	.6	.8	4.9	⁵ 9.8		1.1	4.0	1.3	5.8	7.7	1.6	1.3	2.1	52.3
1969 ...	.7	.4	5.7	.6	4.1	.5	.6	4.9	⁵ 10.1		1.0	4.1	1.5	6.1	7.7	1.4	1.5	2.8	53.7
1970 ...	.7	.4	5.8	.6	3.9	.5	.8	4.8	⁵ 10.1		1.0	4.1	1.5	5.9	7.4	1.5	1.2	2.7	52.9
1971 ...	.6	.4	5.9	.6	3.8	.5	.7	4.9	⁵ 9.9		1.0	3.9	1.4	6.2	7.6	1.6	1.2	4.1	54.3
1972 ...	.6	.3	5.8	.8	3.8	.6	.8	5.1	⁵ 10.2		1.1	3.7	1.5	6.5	7.8	1.4	1.1	4.1	55.2
1973 ⁶ ..	.6	.3	5.9	.6	4.2	.7	.9	5.8	⁵ 11.3		1.1	3.3	1.3	6.4	8.0	1.4	1.3	4.4	57.5	

¹ Excludes soups and baby food. Civilian consumption only. ² Based on information available for 1944-46, tomato juice comprises approximately 85 percent of the total, combination vegetable juices 13 percent, and

potatoes, mixed vegetables, and all items, especially in other vegetable juices 2 percent. Combination vegetable juice contains approximately 70 percent or more tomato juice. ³ Includes miscellaneous greens, pimentos,

earlier years, for which no separate data are available. ⁴ Estimated. ⁵ Estimate combines paste, sauce, catsup and chili sauce. ⁶ Preliminary.

Table 9.—Vegetables, frozen: Per capita consumption, processed weight, averages 1947-49, 1957-59 and annual 1962 to date¹

Period	Leafy, green and yellow vegetables										Other vegetables					Potato products	Total ³
	Aspara- gus	Snap beans	Lima beans	Carrots	Peas	Peas and carrots	Pump- kin and squash	Broc- coli	Brus- sils sprouts	Spinach	Other ²	Cauli- flower	Corn, cut basis	Succo- tash	Onions			Rhu- barb
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947-49 ...	.13	.28	.42	.07	.82	.05	.05	.16	.08	.27	.10	.08	.23	.04	(⁴)	.04	2.86
1957-59 ...	.17	.77	.71	.26	1.61	.12	.10	.55	.19	.57	.61	.17	.65	.06	(⁴)	.03	8.13
Year																	
1962 ....	.18	.81	.71	.39	1.84	(⁴)	.07	.62	.20	.56	.97	.22	.85	(⁴)	(⁴)	.03	11.27
1963 ....	.16	.87	.70	.34	1.78	(⁴)	.06	.60	.20	.57	.80	.19	.88	(⁴)	(⁴)	.03	11.61
1964 ....	.17	.84	.72	.42	1.81	(⁴)	.07	.66	.22	.62	.88	.20	.97	(⁴)	(⁴)	.03	13.47
1965 ....	.15	.91	.69	.51	1.98	(⁴)	.07	.68	.22	.62	.89	.20	1.13	(⁴)	(⁴)	.03	13.80
1966 ....	.16	1.06	.70	.55	2.05	(⁴)	.10	.71	.20	.68	1.08	.25	1.26	(⁴)	(⁴)	.03	15.76
1967 ....	.17	.90	.73	.66	1.88	(⁴)	.10	.77	.20	.70	1.07	.25	1.60	(⁴)	(⁴)	.03	16.64
1968 ....	.16	1.00	.74	.73	2.08	(⁴)	.12	.79	.18	.70	1.12	.26	1.59	(⁴)	.16	.03	18.16
1969 ...	.15	.97	.63	.72	1.78	(⁴)	.13	.84	.23	.67	1.02	.30	1.44	(⁴)	.18	.04	18.94
1970 ....	.14	1.05	.71	.76	1.86	(⁴)	.13	.83	.22	.68	1.07	.30	1.61	(⁴)	.25	.04	20.75
1971 ....	.12	1.04	.64	.74	1.81	(⁴)	.14	.90	.22	.73	1.18	.35	1.47	(⁴)	.34	.04	21.84
1972 ....	.10	1.07	.69	.81	1.81	(⁴)	.10	.99	.20	.72	1.12	.35	1.46	(⁴)	.51	.04	22.22
1973 ⁵ ...	.11	1.14	.69	.99	1.76	(⁴)	.16	1.06	.23	.67	.132	.37	1.60	(⁴)	.53	.06	23.96

¹ Civilian consumption only. ² Included with leafy, green, and yellow because most items included are considered to be green. ³ Computed from unrounded data.

⁴ Included with "other". ⁵ Preliminary.

Table 10.—Potatoes, Irish: Acreage, yield per acre, and production, annual 1972, 1973, and indicated 1974

Season group	Acreage		Yield per acre				Production	
	Harvested		For harvest 1974		Indicated 1974		1973 ¹	
	1972	1973 ¹	1972	1973 ¹	Indicated 1974	1972	1973 ¹	Indicated 1974
	1,000 acres	1,000 acres	Cwt.	Cwt.	Cwt.	Million cwt.	Million cwt.	Million cwt.
Winter	15.4	14.0	151	204	204	2.3	2.9	2.8
Spring	95.8	98.9	219	214	236	21.0	21.2	23.6
Summer	130.9	125.1	182	172	183	23.8	21.5	23.9
Total with production to date	242.1	238.0	195	192	206	47.1	45.6	50.3

¹ Revised.

Crop Production, SRS, USDA, issued monthly.

Table 11.—Vegetables fresh: Representative prices for stock of generally good quality and condition (U.S. 1 when available), New York, Chicago, and shipping point, indicated periods, 1973 and 1974

Market and commodity	State of origin	Unit	Tuesday					
			1973			1974		
			May 15	June 12	July 10	May 14	June 11	July 9
			<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
New York:								
Beans, snap, green	New Jersey	Bu. basket	---	---	7.50	---	---	6.50
Broccoli	California	14-bchs., crt. & ctn.	5.75	5.50	5.25	5.50	6.00	6.50
Cabbage								
Domestic, round type	New Jersey	Various used crates	---	7.00	3.50	---	3.75	2.50
Cantaloups	California	36's jumbo crt.	---	17.00	13.50	---	16.00	16.00
Carrots, topped, washed	California	48-1 lb. film bag ctn.	4.75	7.00	6.75	6.00	7.25	7.25
Cauliflower	California	Carton 12's	---	7.00	6.75	7.00	6.50	8.00
Celery								
Pascal	California	2-3 doz., crt.	6.25	7.00	12.00	10.00	8.50	8.75
Lettuce, Iceberg	California	2 doz., ctn.	12.00	10.50	6.75	6.75	6.75	8.25
Spinach, Savoy	New Jersey	Bu. basket	3.25	3.50	---	3.75	3.75	3.25
Tomatoes	Ohio	8 lb. bskt., med.	---	3.125	5.50	4.00	4.00	2.85
Chicago:								
Broccoli	California	14's crt. & ctn.	4.50	5.40	5.25	5.50	5.75	6.00
Cabbage								
Domestic, round type	Illinois	Various used crates	---	---	4.00	---	---	3.50
Cantaloups	California	36's jumbo crt.	---	16.00	11.50	---	18.00	14.00
Carrots, topped, washed	California	48-1 lb. film bag, ctn.	6.00	7.00	7.00	7.00	6.75	7.00
Cauliflower	California	Film wrpd., ctns, 12's	---	5.75	6.50	5.25	5.25	---
Celery								
Pascal	California	2-3 doz., crt.	6.00	6.50	9.75	10.00	8.75	8.00
Pascal	Michigan	2-4 doz., crt.	---	---	8.50	---	---	---
Cucumbers	Illinois	Bu. basket	---	---	6.00	---	---	7.50
Honeydews	California	2/3-flat crt. 5-8's	---	---	3.75	---	---	6.00
Lettuce, Iceberg	California	2 doz. heads, ctn.	10.75	11.00	6.25	5.50	6.75	6.25
Spinach, flat type	Illionis	Bu. basket	4.00	2.75	4.75	4.00	5.25	---
Tomatoes	Illionis	10-lb. bsckt., med-lge.	---	---	4.25	---	---	3.00
			Week ended					
			1973			1974		
			May 12	June 16	July 14	May 11	June 15	July 13
			<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Shipping point:								
Onions, medium-maximum	Texas & N. Mex.	50 lb. sack Grano	7.00	3.85	3.05	2.20	2.20	2.65
Onions, medium-maximum	California	50 lb. sack	7.50	4.10	---	2.40	2.06	---
Watermelons	Florida	25 lb. av. and larger per cwt.	5.04	3.62	3.79	7.20	3.71	3.50

Source: Market News Report, AMS, U.S.D.A.

Table 12.—Fresh vegetables: Retail price, marketing margin, and grower and packer return per unit, sold in New York City, indicated months, 1973 and 1974

Commodity, month and retail unit	Retail price	Marketing margin		Grower and packer return (Fob shipping point price) ^{1 2}	
		Absolute	Percentage of retail value	Absolute	Percentage of retail value
	<i>Cents</i>	<i>Cents</i>	<i>Percent</i>	<i>Cents</i>	<i>Percent</i>
Carrots (lb.)					
May 1974	21.3	12.8	60	8.5	40
April 1974	20.5	12.2	60	8.3	40
May 1973	22.3	13.7	61	8.6	39
Celery (lb.)					
May 1974	24.7	17.0	69	7.7	31
April 1974	22.3	18.0	81	4.3	19
May 1973	25.5	16.2	64	9.3	36
Corn sweet (doz. ears)					
May 1974	177.6	109.0	61	68.6	39
April 1974	205.6	137.0	67	68.6	33
May 1973	186.9	127.4	68	59.5	32
Cucumbers (lb.)					
May 1974	38.3	19.4	51	18.9	49
April 1974	31.5	19.0	60	12.5	40
May 1973	31.3	19.5	62	11.8	38
Lettuce (head)					
May 1974	55.2	31.5	57	23.7	43
April 1974	40.2	32.5	81	7.7	19
May 1973	50.6	30.7	61	19.9	39
Onions, dry yellow (lb.)					
May 1974	19.7	15.2	77	4.5	23
April 1974	21.6	16.6	77	5.0	23
May 1973	38.3	16.6	43	21.7	57
Peppers, green (lb.)					
May 1974	61.0	28.8	47	32.2	53
April 1973	50.6	30.0	59	20.6	41
May 1973	61.1	30.3	50	30.8	50
Tomatoes, vine-ripe (lb.)					
May 1974	77.4	28.4	37	49.0	63
April 1974	59.2	38.0	64	21.2	36
May 1973	57.0	24.7	43	32.3	57

¹ For quantity of product equivalent to retail unit sold to consumers; Because of waste and spoilage during marketing, equivalent quantity exceeds retail unit. ² Production areas:

Carrots-CALIFORNIA, Celery-CALIFORNIA, Corn-FLORIDA, Cucumbers-FLORIDA, Lettuce-CALIFORNIA, Onions-TEXAS, Peppers-FLORIDA, Tomatoes-FLORIDA.

Table 13.—Canned vegetables: Commercial pack and canners' seasonal supply, shipments to July 1, stocks July; and total seasonal shipments, selected commodities

Commodity and season	Carryover	Pack	Seasonal supply	Shipments to July 1	Stocks July 1	Total seasonal shipments
	<i>Million cases 24/303's</i>	<i>Million cases 24/303's</i>	<i>Million cases 24/303's</i>	<i>Million cases 24/303's</i>	<i>Million cases 24/303's</i>	<i>Million cases 24/303's</i>
Asparagus						
1970-71	1.4	5.7	7.1	¹ 2.8	² 4.3	6.2
1971-72 .....	.9	5.5	6.4	¹ 2.1	² 4.3	5.5
1972-73 .....	.9	5.9	6.8	¹ 2.8	² 4.0	5.3
1973-74	1.5	5.8	7.3	¹ 3.1	² 4.2	6.1
Beans, lima						
1970-71	1.3	2.8	4.1	³ 2.9	² .7	3.4
1971-72 .....	.7	3.1	3.8	³ 2.6	² .7	3.1
1972-73 .....	.7	2.1	2.8	³ 2.3	² .1	2.7
1973-74 .....	.1	3.2	3.3	³ 2.5	N.A.	N.A.
Beans, snap						
1970-71	10.7	47.6	58.3	50.3	8.0	50.3
1971-72	8.0	50.0	58.0	52.1	5.9	52.1
1972-73	5.9	47.6	53.5	50.8	2.7	50.8
1973-74	2.7	55.0	57.7	N.A.	N.A.	N.A.
Beets						
1970-71	4.3	11.6	15.9	12.4	3.5	12.4
1971-72	3.5	10.2	13.7	11.5	2.2	11.5
1972-73	2.2	9.4	11.6	10.7	.9	10.7
1973-74 .....	.9	11.3	12.2	N.A.	N.A.	N.A.
Carrots						
1970-71	2.4	5.0	7.4	5.0	2.4	5.0
1971-72	2.4	5.7	8.1	6.2	1.9	6.2
1972-73	1.9	5.1	7.0	6.0	1.0	6.0
1973-74	1.0	6.2	7.2	N.A.	N.A.	N.A.
Corn, sweet						
1970-71	9.3	47.0	56.3	46.9	9.4	49.3
1971-72	7.0	53.8	60.8	51.6	9.2	54.1
1972-73	6.7	53.0	59.7	53.4	6.3	56.5
1973-74	3.2	55.2	58.4	N.A.	N.A.	N.A.
Peas, green						
1970-71	6.3	28.7	35.0	⁴ 30.7	⁵ 4.3	30.7
1971-72	4.3	33.2	37.5	⁴ 32.6	⁵ 4.9	32.6
1972-73	4.9	33.1	38.0	⁴ 34.4	⁵ 3.6	34.4
1973-74	3.6	29.6	33.2	⁴ 31.7	1.5	31.7

¹ Shipments to August 1. ² August 1. ³ Shipments to May 1. ⁴ Shipments to June 1. ⁵ June 1. n.a.-not available.

National Canners Association.

Table 14.—Vegetables, frozen: United States commercial packs 1972 and 1973, and cold storage holdings, July 1, with comparisons

Commodity	Packs		Cold storage holdings		
	1972	1973	July 1, 1972	July 1, 1973	July 1, 1974 ¹
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Asparagus	34	20	33	33	24
Beans, lima:					
Fordhook	53	52	11	12	13
Baby	93	98	20	16	22
Total	146	150	31	28	35
Beans, snap:					
Regular cut	151	178	29	38	52
French cut	84	80	20	24	26
Wax	6	9	(³)	(³)	(³)
Total	241	267	49	62	78
Broccoli	234	213	91	59	103
Brussels sprouts	56	57	16	20	21
Carrots	166	232	37	40	86
Cauliflower	94	96	11	10	25
Corn, cut	274	294	36	41	59
Corn-on-cob	133	167	10	26	26
Mixed vegetables	(³)	(³)	28	19	30
Onions	111	115	(³)	11	24
Peas	340	388	139	116	132
Peas and carrots	(³)	(³)	12	8	8
Pumpkin and squash	30	29	(³)	(³)	(³)
Rhubarb	12	13	(³)	(³)	(³)
Spinach	160	160	89	100	133
Kale	6	4	(³)	(³)	(³)
Okra	28	41	15	6	16
Peas, blackeye	38	42	6	4	6
Turnip greens	19	19	(³)	(³)	(³)
Miscellaneous vegetables	159	160	204	150	177
Total	2,281	2,467	807	733	983
French fried potatoes	553	523	585	417	426
Other frozen potatoes	2,041	2,168	96	93	110
Total frozen potatoes	2,594	2,691	681	510	536
Grand total	4,875	5,158	1,488	1,243	1,519

¹ Preliminary. ² Considered as repacks and not included in total. ³ Included in miscellaneous vegetables. n.a. - not available.

Pack data from American Frozen Food Institute. Stocks from Cold Storage Report, SRS, USDA, issued monthly.

Table 15.—Vegetables for processing: Planted acreage, annual 1972, 1973, and indicated 1974¹

Crop	Planted acreage			
	1972	1973	indicated 1974	1974 as percentage of 1973
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Percent</i>
For freezing:				
Green lima beans	50	53	46	86
Snap beans	67	78	71	91
Sweet corn	120	139	132	94
Green peas	137	152	156	103
For canning:				
Green lima beans	28	29	36	122
Snap beans	211	232	250	108
Sweet corn	350	349	370	106
Green peas	268	276	299	108

¹ 1974 production for canning and freezing will be published in December annual summary.

Vegetables-Processing, SRS, USDA, issued monthly.

Table 16.—Potatoes: Prices f.o.b. shipping points and wholesale price at New York and Chicago, U.S. No. 1 indicated periods 1973 and 1974

Item	State	Week ended					
		1973			1974		
		May 12	June 16	July 14	May 11	June 15	July 13
		<i>Dollars per 100 lb. sack</i>	<i>Dollars per 100 lb. sack</i>	<i>Dollars per 100 lb. sack</i>	<i>Dollars per 100 lb. sack</i>	<i>Dollars per 100 lb. sack</i>	<i>Dollars per 100 lb. sack</i>
F.o.b. shipping points Kern County Long Whites	California	6.50	8.45	8.42	12.00	7.25	4.95
Hi Plains-Panhandle Dist. Round Reds	Texas	---	---	10.00	---	---	5.95
Eastern points Rounds Reds	Alabama	---	---	9.38	12.70	---	5.85
Round Whites	Virginia	---	---	3.85	---	---	5.45
		Tuesday nearest mid-month					
		1973			1974		
		May 15	June 12	July 10	May 14	June 11	July 9
		<i>Dollars per 50 lb. sack</i>	<i>Dollars per 50 lb. sack</i>	<i>Dollars per 50 lb. sack</i>	<i>Dollars per 50 lb. sack</i>	<i>Dollars per 50 lb. sack</i>	<i>Dollars per 50 lb. sack</i>
Terminal markets New York Long Whites	California	---	5.85	6.35	---	6.25	5.875
Katahdin, 2" min.	Maine	4.15	5.75	---	7.35	6.50	---
		<i>Dollars per per 100 sack</i>	<i>Dollars per per 100 sack</i>	<i>Dollars per per 100 sack</i>	<i>Dollars per per 100 sack</i>	<i>Dollars per per 100 sack</i>	<i>Dollars per per 100 sack</i>
Chicago Long Whites	California	10.00	11.25	11.75	16.00	11.50	8.50

F.o.b. prices are the simple averages of the mid-point of the range of daily prices. Market prices are for Tuesday of each week, and are submitted by Market News representatives to the Fruit and Vegetable Division of AMS.

Table 17.—Sweetpotatoes: Representative wholesale price (l.c.l. sales) at New York and Chicago for stocks of generally good merchantable quality and condition (U.S. No. 1, when available) indicated periods, 1973 and 1974

Item	State	Tuesday nearest mid-month					
		1973			1974		
		May 15	June 12	July 10	May 14	June 11	July 9
		<i>Dollars per 50 lb. container</i>	<i>Dollars per 50 lb. container</i>	<i>Dollars per 50 lb. container</i>	<i>Dollars per 50 lb. container</i>	<i>Dollars per 50 lb. container</i>	<i>Dollars per 50 lb. container</i>
Terminal markets New York Porto Rico	North Carolina	10.50	12.50	---	7.50	7.75	7.50
Chicago Porto Rico, cured	Louisiana	---	---	---	8.00	8.25	---

Prices submitted for Tuesday of each week by the Market News representative at New York and Chicago.

Table 18.—Beans, dry edible: Acreage, yield per acre, and production, annual 1972, 1973, and indicated 1974¹

Group State and classes	Acreage			Production ²		
	Harvested		For harvest 1974	1972	1973	Indicated 1974
	1972	1973				
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>
Michigan	605	590	630	7,139	5,723	(⁵)
New York	36	39	43	306	371	(⁵)
Northwest ³	387	389	502	6,380	6,303	(⁵)
Southwest ⁴	217	211	201	1,833	1,698	(⁵)
California:						
Large lima	26	31	32	471	533	(⁵)
Baby lima	18	20	25	317	378	(⁵)
Other	113	110	126	1,672	1,797	(⁵)
Total California	157	161	183	2,460	2,708	(⁵)
Other States	---	8	12	---	---	---
United States	1,402	1,398	1,571	18,118	16,803	(⁵)

¹ Includes beans grown for seed. ² Cleaned basis. ³ Nebraska, Montana, Idaho, Wyoming, Washington, Minnesota, and North Dakota. ⁴ Kansas, Colorado, New Mexico, and Utah. ⁵ Available in August Crop Production.

Table 19.—Peas, dry field: Acreage, planted and harvested, annual 1972, 1973, and acreage for harvest 1974¹

State	Acreage					
	Planted			Harvested		
	1972	1973	1974	1972	1973	For harvest 1974
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>
Minnesota	9.0	8.0	2.0	6.0	4.0	1.0
North Dakota	6.0	---	---	1.2	---	---
Idaho	52.0	50.0	90.0	50.0	48.0	89.0
Washington	77.0	85.0	130.0	74.0	81.0	124.0
Oregon	4.0	3.6	4.6	3.9	3.4	4.3
United States	148.0	146.6	226.6	135.1	136.4	218.3

¹ Excludes peas grown for seed.

Crop Production, SRS, USDA, issued monthly.

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MARKETING CALIFORNIA FRESH MARKET TOMATOES: TRENDS AND OUTLOOK

by

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ABSTRACT: California provides about a third of the fresh tomatoes marketed commercially in the United States, and is the only domestic source of supplies during the late fall marketing season. This report traces trends in production and marketing of the State's crop in 1948-72.

KEY WORDS: Fresh tomatoes, California, production, marketing.

In 1973, tomatoes ranked second only to lettuce in total U.S. farm value of fresh vegetables. Fresh tomato production yielded U.S. growers more than \$300 million (packed and loaded f.o.b. shipping point basis), 18½ percent of total fresh vegetable receipts. California growers grossed \$109 million, more than 35 percent of the total.

Both vine-ripe and mature green tomatoes are produced in the State in roughly equal proportions. The marketing season is lengthy—shipments usually begin in late April or early May and continue through December. There are seven distinct producing regions in California, extending from the Mexican border to the northern San Joaquin Valley. In 1973, about 70 packinghouses shipped fresh tomatoes from the State.

Particular emphasis in this report is placed on the competitive position of the State relative to other tomato producing regions.

Fresh Tomato Consumption

Figure 1 shows divergent patterns of consumption for fresh and processed tomatoes. Per capita consumption of all tomatoes (both fresh and processed) increased nearly 15 pounds between 1948 and 1972. All of this increase was in canned form, and, in fact, consumption of fresh tomatoes declined 2½ pounds.

What happened? The decline for fresh tomatoes is part of a general shift to processed forms for many fruits and vegetables. In 1947-49, civilian per capita

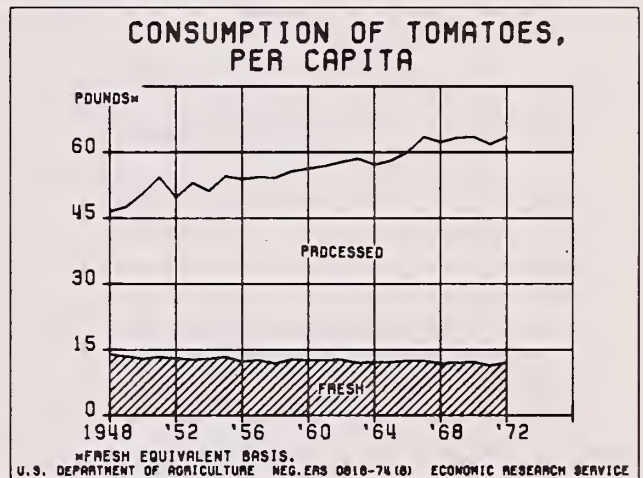


Figure 1

consumption of all fresh and processed vegetables nationally was 200 pounds—60 percent fresh and 40 percent processed. By 1972, these percentages were very nearly reversed—214 pounds, 46 percent fresh and 54 percent processed. Due to their extensive use as a salad item, tomatoes actually fared much better than most other vegetables.

The general shift from fresh to processed is due partially to efficiencies in processing which have reduced the cost of canned, frozen, and dried foods relative to their fresh counterparts, and partly to

strong demand for convenience in food preparation. For tomatoes, increased away-from-home eating, particularly at fast food outlets, has tended to boost consumption of canned tomato products.

U.S. and California Production Trends

Even with the pervasive decline in per capita consumption of fresh tomatoes, population growth has been large enough to yield an expanding market for fresh tomatoes in the United States. The annual increase in domestic consumption has averaged about 1 percent since 1948. The total supply trend is shown in Figure 2. Much of the increase has been in the form of winter crop imports from Mexico. Domestic production, particularly during the last decade, has shown little change. California production contributed most of the year-to-year increase in domestic supplies from 1948 to 1959. But during the early 1960's, State tonnage dropped 15,000 hundredweight in a 5-year span. Production since that time has been rising slightly but substantially less than the earlier rate. In recent years, the State has contributed about 25 to 30 percent of total U.S. supplies of fresh tomatoes.

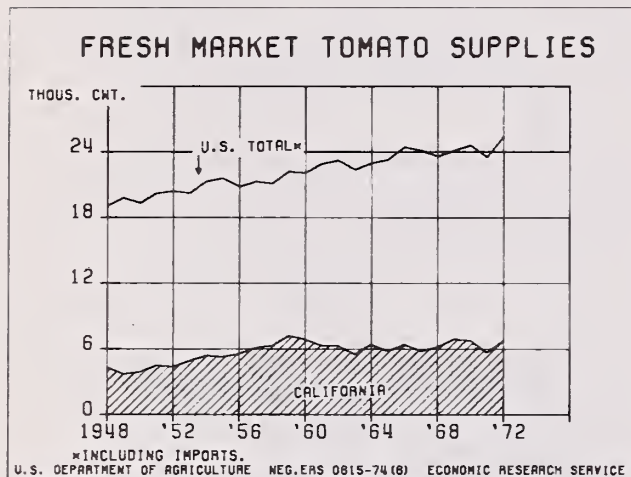


Figure 2

The acreage picture differs (Figure 3). U.S. acreage dropped 41 percent between 1957 and 1972 and in 1958-60, more than 50,000 acres were taken out of production. Remarkably, supplies showed little change during this time (Figure 2) due largely to increased yields and larger imports from Mexico. Some of this acreage decline occurred in Florida, but the lion's share of the drop came from the minor producing States. California acreage has been quite stable at around 30,000 acres over the 1948-72 period.

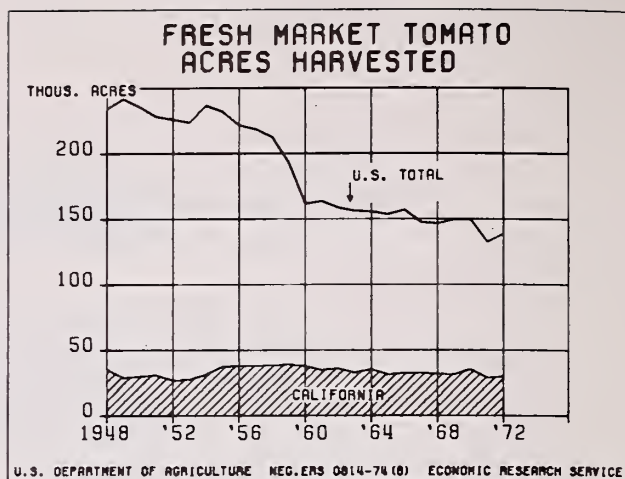


Figure 3

A look at prices suggests an explanation for California's relatively stable production pattern (Figure 4). There was little change in prices between 1948 and 1962 and consequently little incentive to increase fresh tomato acreage. Spring prices showed a small decline while summer and fall prices advanced \$1.70 and 60 cents per cwt., respectively. Note that average summer prices moved ahead of fall prices during this period.

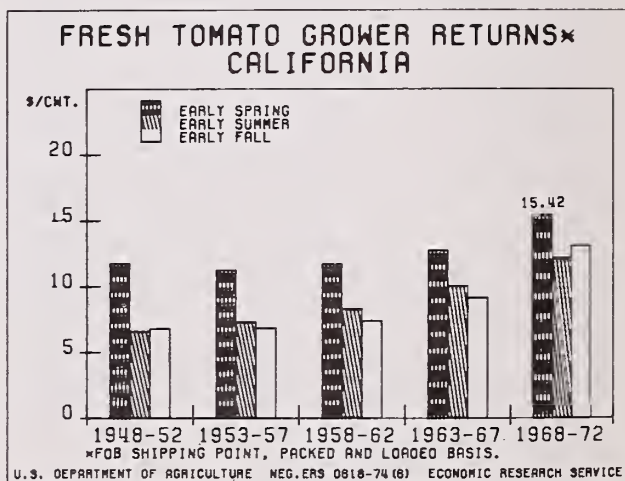


Figure 4

The last 10 years have been characterized by significantly higher gross returns for all three seasonal crops. Price increases between 1958-62 and 1968-72 were \$3.70, \$3.80, and \$5.60, respectively, for the spring, summer, and fall crops. By 1968-72, fall

crop prices had again moved above summer prices. The level of recent prices suggests that fresh tomato production has become more attractive. However, recent cost increases are not shown, specifically container expense and wages, which have served to counter much of the price rise. As a consequence, net returns have not changed enough to greatly affect State plantings.

California Production Shifts

While total State acreage has shown little change, there have been some significant shifts in the location of fresh market tomato acreage. Tabulation below shows the contribution of individual producing districts to total State acreage. Acreage in the Stockton, Merced, and Gonzales-King City districts nearly doubled between 1948-52 and 1968-72. Acreage in Oxnard and the Imperial Valley was about cut in half. Cutler-Orosi and San Diego acreage dropped 14 percent.

Distribution of California Tomato Acreage Among Districts, 1948-52 and 1968-72 averages

District	1948-52	1968-72	Percent of change
	<i>Acres</i>	<i>Acres</i>	<i>Percent</i>
Chula Vista-Oceanside	5,320	4,618	-14
Imperial Valley	4,020	2,240	-44
Oxnard	5,810	3,154	-46
Cutler-Orosi	3,380	2,860	-15
Gonzales-King City	2,140	4,190	+96
Merced	2,740	5,262	+92
North San Joaquin Valley . .	4,510	8,720	+93
Other	2,540	636	-75
Total	30,460	31,680	+4

Increased acreage in the mature green districts (Northern San Joaquin Valley, Merced, and Gonzales-King City) and the corresponding drop in the vine-ripe districts (Cutler-Orosi, Oxnard, and Chula Vista-Oceanside) are consistent with a national trend toward mature green production. Underlying this trend is better control of ripening through gassing and the inherently lower costs associated with mature green production and packing. The reduction in Desert acreage is also consistent with what is occurring at the national level. Production in the seasonal class "early spring" has been largely displaced by Mexican imports, late winter supplies from Florida, and production from States classed late spring.

Marketing Patterns

To get a better idea of where California fresh tomatoes are being sold, unload figures from the Agricultural Marketing Service for 1962 through

1972 were evaluated. The data identified the source of monthly rail and truck unloads in 36 major U.S. cities. For 1970-72, California unloads in these cities are shown in Figure 5.

A big part of the State's fresh tomato crop stays close to home—44 percent was unloaded in Western cities, with Los Angeles alone taking about 26 percent. The second biggest market is the East, which absorbs about a quarter of California's annual crop. New York, Boston, and Philadelphia account for most of the Eastern unloads. About a third of the California crop is sold in the South and Midwest. Chicago is the only city in these regions receiving more than 5 percent of the California origin unloads.

Some important changes in the distribution of California fresh tomatoes have occurred since the early 1960's. While the West is still the major market, 1970-72 unloads were 23 percent less than in 1962-64. In contrast, Eastern unloads increased over the same period by almost 70 percent, and Southern and Midwestern cities showed increases of 22 and 49 percent, respectively. The trading area for California fresh market tomatoes has expanded—a larger portion of the total crop is being sold in distant cities. This change is consistent with the shift from vine-ripe to green production.

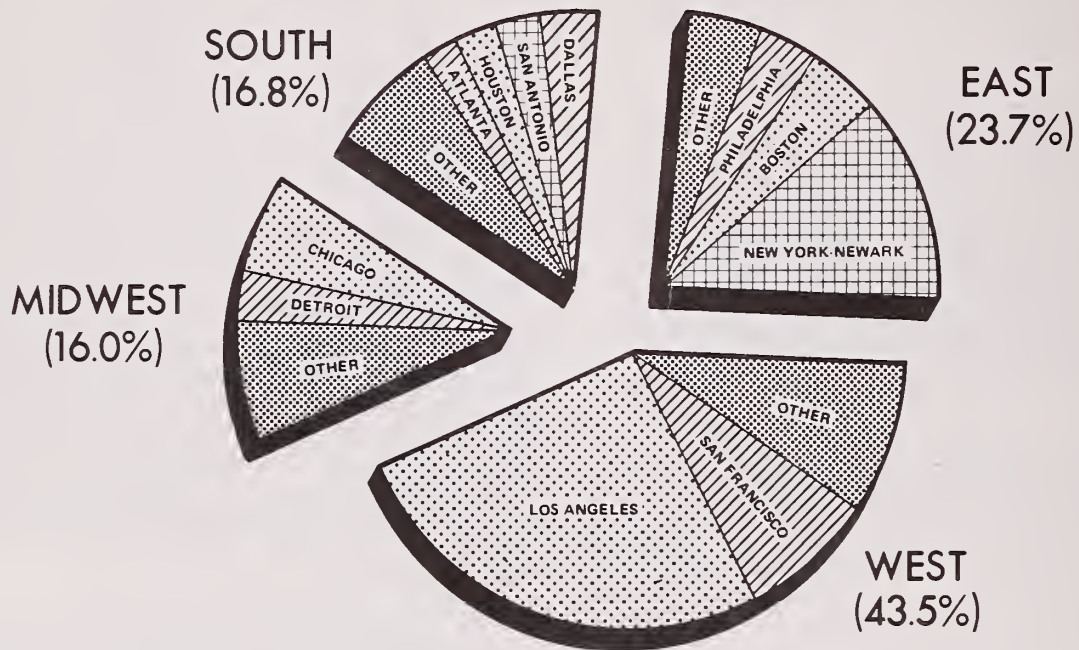
Although truck shipments outnumber rail, the increase in mature green production and the greater proportion of distant shipping have increased the importance of rail cars to California fresh tomato shippers over the last 10 years. Rail unloads were 28.5 percent of total unloads in 1970-72 compared with 20 percent in 1962-64. Figure 7 shows the rail breakdown for the major regions. As expected, the importance of rail unloads increases with the distance from California. Nearly three-fourths of all shipments to the East were by rail compared to less than 0.5 percent of Western shipments. Of the major receivers of California tomatoes, rail unloads comprise more than half of total unloads in Boston, New York, Philadelphia, Chicago, Houston, and San Antonio.

There were no reported rail unloads of California tomatoes in San Francisco or Los Angeles.

Figure 8 shows both total unloads and California-origin unloads in New York City. As is true for most of the 36 cities examined, California is the major tomato supplier in New York from July through October. In cities closer to the State, the period of California domination is longer. For example, California is practically the only supplier of reported unloads in Los Angeles for 6 months—June through November. Note from the upper portion of the chart that California's share of the New York market increases steadily from May, peaking in October when the State supplies nearly all of the city's tomatoes.

During the period of peak California supplies, terminal market competition (reported unloads) comes largely from other producing States, none of

DISTRIBUTION OF CALIFORNIA FRESH TOMATO UNLOADS IN THE U.S., 1970-72



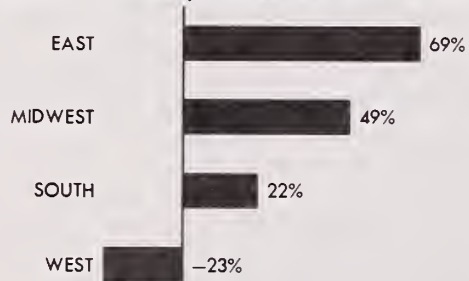
U.S. DEPARTMENT OF AGRICULTURE

NEG. 626-74 (6)

ECONOMIC RESEARCH SERVICE

Figure 5

CALIFORNIA FRESH TOMATO UNLOADS PERCENT OF CHANGE, 1962-64 AND 1970-72 AVGS *



*UNLOADS IN 36 U.S. CITIES

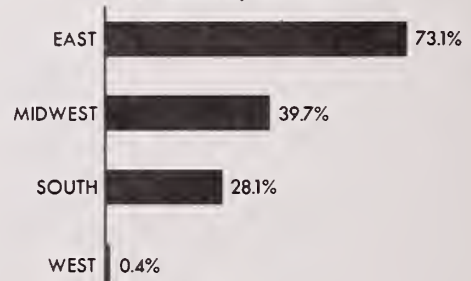
U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 627 74 (8)

ECONOMIC RESEARCH SERVICE

Figure 6

RAIL UNLOADS OF CALIFORNIA FRESH TOMATOES BY REGIONS, 1970-72 AVG. *



*UNLOADS IN 36 U.S. CITIES

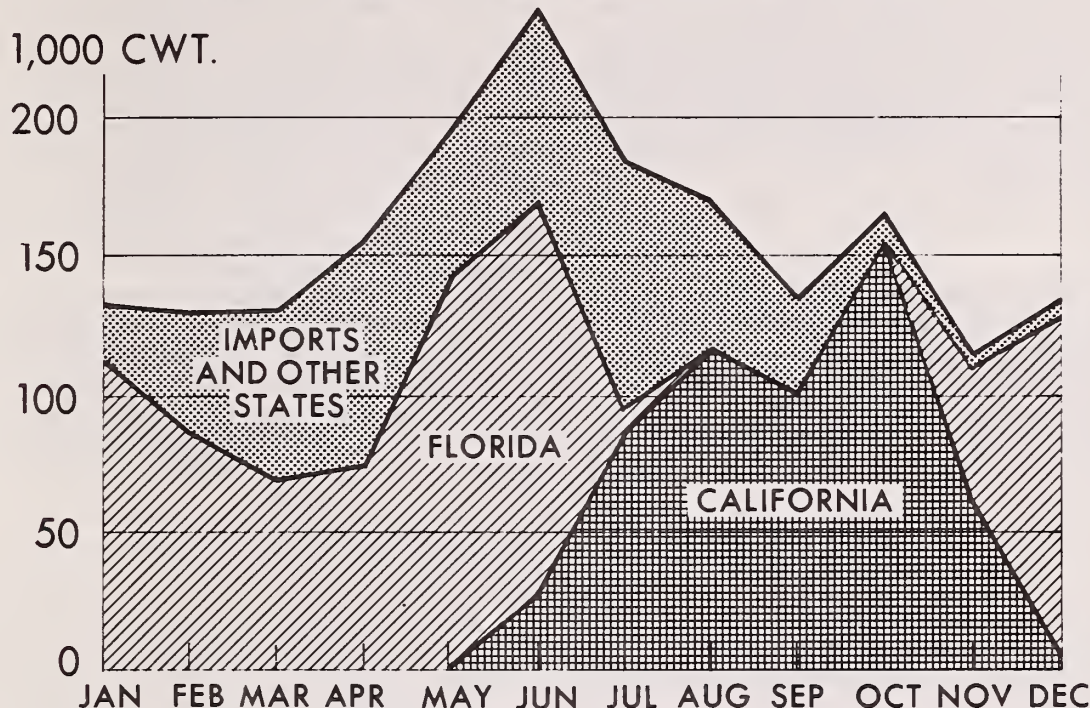
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Figure 7

MONTHLY FRESH TOMATO UNLOADS NEW YORK-NEWARK, 1970-72 AVG.



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NEG. ERS 629 - 74 (6)

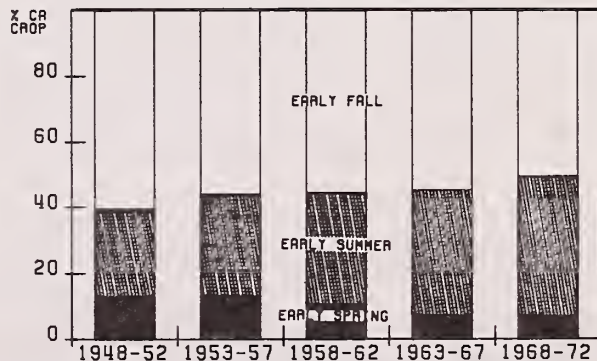
ECONOMIC RESEARCH SERVICE

Figure 8

which supplies more than 5 percent of total New York City unloads during 1970-72. It would appear that California is in a highly favorable competitive position. But noting the pattern of total unloads for the city, unloads peak in June and then drop sharply through September. July-September is the peak period of consumption for fresh tomatoes (salads and sandwiches). It is also the peak period for home garden harvests and local fruit stand tomato sales. So a big part of total tomato consumption during this time is being supplied locally and is not reflected in the unload figures. Hence, California may be characterized as supplying an increasing proportion of a declining market during much of its shipping season. A similar pattern of unloads is observed in Midwestern cities.

Changes in the timing of State harvests suggest that such competition with local tomato supplies may be increasing. Figure 9 shows annual California production by seasonal classification for 5-year

CALIFORNIA FRESH MARKET TOMATOES, BY SEASON



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Figure 9

intervals from 1948 to 1972. Note that the early summer crop (July 1 to mid-August) is increasing in importance relative to the spring and fall crops. This is due largely to a tendency for producers of fall mature green tomatoes to obtain some early production in order to extend their packing season. This has the effect of lowering overall packing costs, but this early production has recently sold in weaker markets, due at least partially to the increased supply. There are both positive and negative aspects associated with this trend change in the timing of California harvests.

Outlook

What is the future of California fresh tomato marketing? A big question now is the outlook for the remainder of 1974. Several factors have combined to alter long-standing crop price relationships in the United States and some major shifts in acreage are occurring. Whether these are short-term or fundamental adjustments is not clear. Many growers

appear to be expanding acreage of price-secured contracted crops, notably processing tomatoes and dry beans, and simultaneously cutting back plantings of more variably priced open market crops such as fresh tomatoes.

The long-run future of the California fresh tomato industry appears promising. Fresh tomato consumption is positively correlated with incomes, and steadily increasing living standards suggest that per capita consumption can be boosted if a concerted effort is made by the trade to maintain and improve product quality. Steadily rising consumer incomes may also support a larger share of the final price in transport charges, permitting continued specialization in California.

Within the United States, the West will continue to be the most important market for California shippers of fresh tomatoes. However, increases in mature green tomato production at the expense of vine-ripes are expected to continue, thereby increasing sales in distant markets and expanding the State's trading area.

POTATOES: FALL 1974 PRICES

by

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ABSTRACT: In the years 1962-73, average potato prices received by growers during the fourth quarter are examined for influence of production, trend, stocks, and price. Production, price, and stocks information for 1974 are computed to forecast a range of fourth quarter 1974 prices to be received by growers. Four States are used as surrogates for US price analysis.

KEY WORDS: Potatoes, grower prices, reported price, estimated price, potato production.

Potato growers, processors, and consumers want the fall 1974 crop to perform several tasks—simultaneously. First, growers have already assumed what is certainly the highest cost of production on record. They cannot be expected to willingly originate losses. A firm price is more than ever a requirement for the 1974/75 potato crop disposition. Second, processors and grocery product manufacturers want raw product assured. Many processors only lately recognized that "\$2.00 spuds" were not in the best long-run interest of the trade. Key fact: growers would have to be sufficiently rewarded in 1974 so they have the incentive to plant in spring 1975. A sharply higher contract price this season reflects a new higher cost structure faced by growers, primarily a result of general inflationary pressure. Third, consumers expect lower retail prices for fresh potatoes. The 29-33 cents/lb. retail price often seen in mid-spring 1974 is *not* among the best strategies to retain consumer loyalty to fresh potatoes.

One view of the fall 1974 crop is that a production gain of between 4 and 6 percent over 1973 can provide a price range through May 1975 in which most market elements can cooperate. And, in a broader sense, closer cooperation is going to be required for future crops. Results in this commentary should provide several benchmarks from which to evaluate the supply and price of potatoes in the 1974/75 season.

Objectives

Both expected crop production and estimated final use of potatoes during the marketing season affect

the opening fall prices received by growers. This price behavior often provides clues to the price and use of potatoes through the winter and spring months of the following year. In this article the immediate focus is the fourth quarter of 1974 prices received by US growers.

An equally important objective is evaluating the total availability of potatoes through May 1975. There could be increased "complementarity" between fresh and dehydrating outlets in 1974/75. But the overall supply of potatoes not committed to processing use in 1974/75 should be the key determinant of how prices react through the winter and spring months.

An abundant supply could hasten processing activity. In fact, processors who also market fresh potatoes may be forced to take this course, guaranteeing adequate returns for crop they have under contract. Nevertheless, an abundant supply could keep tablestock supplies very generous, larger than processors could absorb.

Method Used

Two methods are used for evaluating 1974/75 prices.

One, a simplified equation is developed from twelve-year histories of production, stocks, and price for each of three States. These States are Maine, Minndak (a hypothetical merger in the Red River Valley), and Idaho. Each linear presentation is developed from a combination of local and non-local variables. State equations are then used to derive general fourth quarter price estimates for the three

producers. Because the States represent an acceptable picture of fall production, each State's prospects are used as a surrogate for regional crop behavior. From these regional perspectives, the national estimates are drawn up.

Two, an assumption about per capita availability of "loose potatoes"¹ for the 1974/75 marketing season is entered and is matched by a monthly series of US average prices. By inspection, such observations help to confirm or deny the abstract results of the statistical procedure. Backing the per capita data is an assumption that more reliable intelligence is available concerning expected processing requirements than expected fresh, shrink, loss, feed, and seed use. Analysis in this article follows but one of several dozen utilization figures that could actually result from the 1974 crop. A simplification of this kind is necessary but the reader should be alert to its shortcomings.

Estimating State Prices

Experience of three States—Idaho, Maine, and Minndak (weighted average of Minnesota and North Dakota)—is used as a surrogate for the entire fall US crop. Procedure such as this omits several key States, some with higher grower price histories and one or two with lower price levels. A general equation was selected to obtain price information about each State:

$$P_{4s} = f \left[Q_{4s}, T, Q_{4\bar{s}}, P_{mars}, S_{\bar{s}} \right] \quad (1)$$

where

P_{4s} = State average price received by growers; average October, November, December of crop year, \$/cwt

$Q_{4\bar{s}}$ = crop production for State, fourth quarter, mn cwt

T = time trend, 1962=62, 1963=63, and so forth

Q_{4s} = crop production for US minus State, fourth quarter, mn cwt

$S_{\bar{s}}$ = stock of fall crop on hand, US total minus State of calendar year, January 1, mn cwt

P_{mars} = State price received by growers, March of crop year, \$/cwt

Subscripts s=surrogate State, id=Idaho, mndk=Minndak, me=Maine, bar over area shows US minus surrogate for variable, mar=March, 4=fourth quarter

Based on supply, trend, and price variables only (the structure of final demand for each State is not simultaneously used), several equations obtained.

For Idaho, (2)

$$P_{4id} = -7.04767 - 0.04091 Q_{4id} + 0.20264 T \\ (0.00944) \quad (0.03530) \\ -0.02428 S_{id} \\ (0.00773)$$

DW 2.62 corrected r^2 0.774

The equation (2) missed on direction once: from 1966 to 1967.

Another way of looking at estimated Idaho prices is to employ its March price history as a variable in lieu of storage totals. The relationship

$$P_{4id} = -8.06374 - 0.4801 Q_{4id} + 0.18599 T \\ (0.01094) \quad (0.03769) \\ + 0.17847 P_{marid} \\ (0.06917)$$

DW 2.64 corrected r^2 0.724

The number of wrong calls in direction this time: one, the same 1966 to 1967 situation not picked up in equation (2).

For Minndak (a weighted average series based on Minnesota and North Dakota), the following result appeared:

$$P_{4mndk} = -13.19035 - 0.13643 Q_{4mndk} + 0.39934 T \\ (0.03217) \quad (0.04896) \\ -0.2653 Q_{4mndk} - 0.02497 S_{mndk} \\ (0.00550) \quad (0.00836) \quad (4)$$

DW 2.28 corrected r^2 0.874

Four of eleven times, the routine failed to spot the reported price changes. However, in one case where direction was inaccurate (1968 to 1969), a narrowing between the estimate and the report occurred.

¹ "loose potatoes": crop production *minus* frozen, dehydrated, chipping, and canned food use.

Using March prices as a variable, Minndak price forecasting would rely on

$$P_{4mndk} = -11.58828 - 0.15919Q_{4mndk} + 0.34487T - 0.02908Q_{4mndk} + 0.24695P_{marmndk} \quad (5)$$

(0.03098) (0.04175) (0.00530) (0.07601)

DW 2.14 corrected r^2 0.883

This time, direction was off three out of eleven times, a slight improvement from equation (4).

Maine's supply and price histories produced the least individually acceptable estimates. Correct direction in estimated prices from year to year was a special problem for both equations (6) and (7). Much variation is due to the occasional "independence" of Maine's specific market channels from the rest of the US. The year 1966 in particular was in error by almost 50 percent in eq (6), although the low estimate was partially vindicated in winter and spring 1967, when that State's storage prices eased downward. Based on supply, one possible relation would be

$$P_{4me} = -7.42174 - 0.19207Q_{4me} + 0.22170T - 0.02733Q_{4me} \quad (6)$$

(0.11274) (0.14341) (0.1362)

DW 2.18 corrected r^2 0.653

Because the first attempt to sort out the influences on Maine potato prices was less than adequate, another approach—this time price dependent—was examined. No improvement in equation (7) over equation (6) was achieved. In fact, total US crop production in the fourth quarter had to be used as a variable. Results using Maine alone or production outside Maine alone were just not satisfactory.

$$P_{4me} = 12.45476 + 0.19671P_{marmne} - 0.25393Q_{4me} - 0.09584Q_{4me} \quad (7)$$

(0.14341) (0.11051) (0.07978)

DW 3.15 corrected r^2 0.590

To make an estimate of this fall's price in Minndak, select, for example, equation (4). For two of the variables, the numbers are fixed. $T=74$, this crop year being 1974. S_{mndk} is, of course, the January 1, 1974 storage total outside Minndak, 110.4 mn cwt.

The equation's remaining variables help determine one another. If US production this fall is 266.1 mn cwt and Minndak's is 34.2, then 34.2 and 231.9 would be entered in Q_{4mndk} and Q_{4mndk} , respectively. Result: \$2.79/cwt, the average price received by growers in October, November, and December 1974.

But, take the case in which Minndak crop production would be 1 percent bigger, or 34.54 mn cwt. (Note that in this situation US crop production overall is kept at 266.1 mn cwt. Q_{4mndk} drops slightly to 231.56) Results: \$2.75/cwt., 1.4 percent below the first estimate.

And, if the 1 percent growth in Minndak crop production had helped to push the US total a bit higher, Q_{4mndk} would have held constant. The resulting price estimate would have been \$2.74, 1.7 percent below the first estimate.

National fall crop price estimates

Weighted by production in each crop year, the fourth quarter prices estimated with supply-oriented [equations (2), (4), and (6)] relations are below contrasted to a weighted average of the actually observed SRS prices received by growers. A combination of equations (3), (5), and (7) was not similarly developed because some statistical results were unsatisfactory.

Year	Estimated price basis eqs (2), (4), (6)	Actually reported SRS prices
1962	1.25	1.25
1963	1.43	1.10
1964	2.34	2.68
1965	1.73	1.63
1966	1.22	1.70
1967	1.52	1.39
1968	1.84	1.65
1969	1.76	1.66
1970	1.65	1.73
1971	1.57	1.55
1972	2.27	2.19
1973	2.88	2.94

For the three-State average, one could have developed a series directly, of course. One possible equation, 8

$$P_{4ss} = -8.88496 - 0.0435Q_{4ss} + 0.26974T - 0.04297S_{ss} \quad (8)$$

was developed. In this approach, crop production outside the surrogate States did not lend any further

significant accuracy. For that reason the variable was excluded. Production outside the 3 areas would logically be unneeded as a variable. The components are, after all, surrogates for the entire fall crop. These results obtained:

Year	Estimated price basis eq (8)	Actually reported SRS prices
1962	1.26	1.25
1963	1.21	1.10
1964	2.45	2.68
1965	1.82	1.63
1966	1.23	1.70
1967	1.64	1.39
1968	1.81	1.65
1969	1.80	1.66
1970	1.73	1.73
1971	1.41	1.55
1972	2.25	2.19
1973	2.86	2.94

Outlook for price behavior

At least two potential crop production levels may help to calibrate the possibility and magnitudes of changes in prices received by growers during October, November, and December (compared with 1973). Two production levels are assumed; two sets of results in each case are determined by either equations (2), (4), and (6) or equations (3), (5), and (7). For the fourth quarter 1974, then:

	Area	Production, mn cwt
LEVEL I	Idaho	79.8
	Minndak	34.2
	Maine	35.5
	United States total	266.1

	Area	Production, mn cwt
LEVEL II	Idaho	82.0
	Minndak	34.9
	Maine	35.9
	United States total	271.7

Calculated by State equations (2), (4), and (6), and using the production-weighted average of prices for the US total, these estimated fourth quarter prices result:

	Area	Est. price, \$/cwt
LEVEL I	Idaho	2.67
	Minndak	2.79
	Maine	2.54
	Surrogate average	2.67

	Area	Est. price, \$/cwt
LEVEL II	Idaho	2.57
	Minndak	2.56
	Maine	2.33
	Surrogate average	2.51

Determined by State equations (3), (5), and (7), and using the production-weighted average of prices for the US total, this higher structure of prices occurred:

	Area	Est. price, \$/cwt
LEVEL I	Idaho	3.06
	Minndak	3.35
	Maine	3.10
	Surrogate average	3.14

	Area	Est. price, \$/cwt
LEVEL II	Idaho	2.96
	Minndak	3.10
	Maine	2.97
	Surrogate average	2.99

The "free-standing" fourth quarter equation (8), which cumulates production levels in the surrogate States, produced a bit lower profile of fourth quarter prices received by growers. At Level I, a three-State crop production of 149.5 mn cwt suggested a \$2.56/cwt price received by growers. For a bigger output at Level II, 152.7 mn cwt, an average price of \$2.42/cwt would be implied.

An immediate observation: procedure oriented to supply histories gives a fourth quarter price profile *lower* than the fall 1973 experience. In the absence of serious inflationary pressures throughout the US economy, such output gain would undoubtedly be associated with lower grower prices— even as the relationships used show only a modest drop. But when the equations using March price histories are used, perhaps a more accurate gauge is reflected. The high March prices do reflect in part overall strong demand for all crop uses. Depending on which set of factors has more strength in fourth quarter 1974, actual results should be within the range implied. Least confidence should be extended to the Maine forecast results.

Relation of surrogate States to US prices

In recent years, 1969-73, the weighted average price of surrogate States to US prices has looked like this during the fourth quarter:

Year	Surrogate States	Derived non-surrogate	US total
<i>Average price received by growers, \$/cwt</i>			
1969	1.76	2.02	1.88
1970	1.65	2.30	1.96
1971	1.57	2.04	1.78
1972	2.26	2.77	2.48
1973	2.89	3.78	3.29

<i>Crop production, million cwt</i>			
1969	135.0	117.6	252.6
1970	139.4	128.4	267.8
1971	147.8	118.9	266.7
1972	141.3	107.5	248.8
1973	138.6	113.4	252.0

Differentials in transportation and intended final food use create the higher level of prices for potatoes originating in States other than Idaho, Minnesota, North Dakota, and Maine. Notice that in years of generous availability—1970 and 1971 would be representative years—the surrogate State price level is exceeded by 30-40 percent in all other producing areas. In times of more limited availability, such as 1972 and especially 1973, the other States exceeded by 25-30%.

If one uses the weighted average price derived from the surrogate States at a U.S. production level of 266.1 mn cwt for the fourth quarter, then the following estimates can be obtained, assuming a 35 percent price edge among other States:

	Area	Production, mn cwt	Est. price, \$/cwt
LEVEL I	ID, MNDK, ME	149.5	2.67
	Other States	116.5	3.60
	US total	266.1	3.08

At an average US price of \$3.08, the October, November, and December estimate appears reasonable. At a higher level of US potato crop production, these figures appear:

	Area	Production, mn cwt	Est. price, \$/cwt
LEVEL II	ID, MNDK, ME	152.7	2.51
	Other States	119.0	3.14
	US total	271.7	2.79

This time, a 25 percent premium was given to the other States.

Structure of use 1974/75

The potato microeconomy is facing a unique set of problems in 1974/75, associated with lack of firm

intelligence about supply and price relationships. Reported contract prices suggest higher prices received by growers. But an unknown is the proportion of total requirements that will actually move at these contract prices.

One food use, dehydration, has an overwhelming requirement for generous crop production. But that requirement is not completely dependent on "low" or "reasonable" prices paid to growers for raw product. Rapid expansion of dehydrating capacity this year implies a near maximum charge to fixed costs in the platform price of finished flakes and granules.

If crop availability is exceedingly short—and such as contingency should be appreciated—high raw product costs and underutilization of new facilities would undermine dehydrator profit objectives. Only in the event that supply this fall permits reasonably full capacity use, thereby lowering final unit charges to both raw product and overhead, would dehydrated potato wholesale prices be stabilized. The profitability of such manufacturing would be enhanced.

For frozen potato product use, the size of fall production may have an influence indirectly on final foodservice decisions to maintain or diminish portion size at retail. However, the outlook for frozen utilization does not carry with it the dual concern of dehydrators, that is, both fixed and variable charges. One new frozen installation (Boardman, Oregon) is being added to capacity. It will attempt to put through 2.0 mn cwt. of crop each year. Nevertheless, the escalated price to growers focuses trade attention on that processor cost.

Finally, chipping interests have a related cause for concern. Growers may have shifted varieties away from chipping stock into fresh, frozen, or dehydrating outlets. But for this fall's crop, potato chip users may be in the best position of all processing food users. What may happen: downward capacity adjustments proceeding more rapidly than shifting by growers to non-chipping potato varieties.

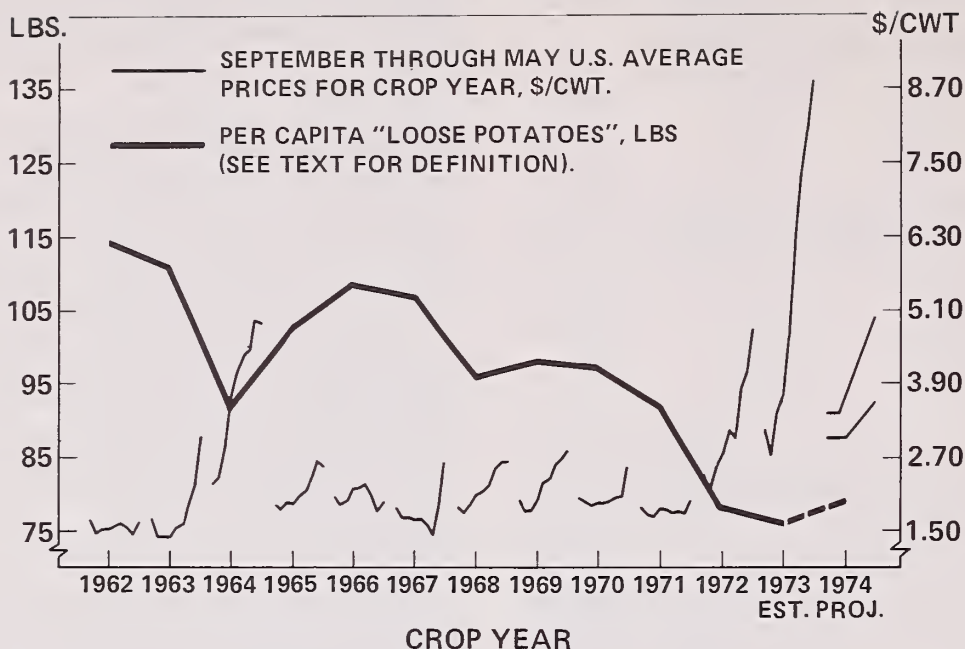
The table below offers estimates and comparison of potato utilization in three successive seasons. Both 1973/74 and 1974/75 offtakes are among many slightly differing estimates that could be reasonably inferred from known trends in industry capacity, absolute annual crop size, and price levels.

Supply and price forecasts inspected

One diagram relates per capita availability of fresh plus residual categories to prices received by growers. Directly above the projected 79 lbs per capita availability of "loose potatoes" for 1974/75 is the minimum range of US average prices received by growers. It is based on a cumulation of supply-oriented equations.

For January through May 1975 a range is suggested for two reasons. One, should fall prices be

POTATOES, PER CAP/PRICES



Potato utilization

(All figures below in million cwt)

	1972/73 Reported	1973/74 Projected	1974/75 Projected
Fresh	112.4	107.5	110.8
Frozen	64.0	66.4	68.3
Dehydrated	27.7	34.0	38.0
Chips	34.9	33.1	31.8
Canned	4.4	4.5	4.5
Subtotal	243.3	245.5	253.3
Crop	296.0	297.4	314.4
"Residual"	52.6	51.8	61.1

[Note: "Residual" classification plus fresh use totals to above definition of "loose potatoes." Residual components: seed, feed, shrink, waste—of which seed is usually constant.]

on the low side, disposition prices are likely to maintain that lower level. Two, if supply is "short" at

the outset—implying a fourth quarter price for all uses somewhat higher—then by May the price received by growers could once again be rather high. Assuming generous crop production this fall, few circumstances could cause winter and spring 1975 prices to be other than substantially less than the same period 1974.

The changes in fresh plus residual projected for 1974/75 follow the experience of potato crops 1962 through 1973.

Conclusion

Fourth quarter potato price influences have been examined. The intuitive factors, enumerated on page 38, are indeed material. Beyond that, few conclusions should be offered. Crop production fall 1974 in the surrogate States will itself suggest this commentary's "conclusion". From that available supply and market demand factors, the US average price will be formed.

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